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# Latin America Report

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8 May 1985

## INTER-AMERICAN AFFAIRS

## ARGENTINE PROVINCE VIEWS FAVORABLY CHILEAN PROJECT ON BORDER

Buenos Aires LA NACION in Spanish 2 Feb 85 sec 3 p 3

[Article by Felipe Gutierrez]

[Text] The opening of a hotel in Chile only 20 kilometers from the San Francisco Pass, on the border between Catamarca and the province of Atacama, is a positive sign for Catamarca which hopes to open a gate to the Pacific, an objective considered to be closely connected with this province's future.

For the last 20 years, local governments have struggled to achieve this goal, but for various reasons the issue has always been set aside to be dealt with at a later date. Efforts were made to remodel and maintain national highway number 60, which goes as far as the Chilean border, but Argentine concerns in this regard were not matched in the neighboring country in spite of meetings held at various times, the frequency of which has recently been increased. These meetings only served to give evidence of an interest which was not translated into concrete actions.

## New Directions

Nevertheless, an auspicious change occurred. Now, Catamarca is not alone in search of an opening toward the Pacific. Under the influence of Japan's extraordinary growth and the introduction of industrial by-products into traditional markets, provincial governments and businessmen have realized clearly that it is time to think about the other ocean.

Tucuman, Cordoba, Santa Fe and Corrientes--to name only some of the provinces--have understood that use of the San Francisco Pass offers a solution to the numerous problems now created for foreign trade by the port of Buenos Aires and at the same time an opportunity to acquire new markets for Argentine products, which would bring about an extension of the agricultural and stock-raising frontier, especially in arid and semi-arid regions.

But something much more ambitious is contemplated: establishment of a corridor uniting the provinces of the northeast and northwest, which would make possible a flowing trade with the Orient via the San Francisco Pass and Puerto Caldera (Chile). This highway would, for example, allow the two landlocked countries of Paraguay and Bolivia to have access to the Pacific.



## Integration

In this way, financing for a hotel very close to the Argentine-Chilean border, which was given by a multinational firm to the country on the other side of the Andes, is of major significance. Besides affording a degree of security for a lengthy journey--more than 600 kilometers between the last important town in Catamarca, which is Biambala, and the city of Copiapo in Chile--it indicates that the neighboring country has also begun to grasp the idea of an integration going well beyond the purely economic and entering deeply into areas of mutual cooperation and foreign trade in order to meet the demands of a part of the world such as the continent of Asia.

The epoch of Catamarca's economic glory coincided exactly with those years during which it could trade with northern Chile. The succeeding period was one of recession and extreme weakness. While it is true that neither on this or the other side of the mountains do the best conditions exist for modifying physical structures, there has been a change in the way of thinking. Realities are viewed differently. And in this effort Catamarca is not alone. Men from other provinces also recognize the extraordinary importance of the Pacific. This regionalization of effort may produce a transformation.

12336

CSO: 3348/401

INTER-AMERICAN AFFAIRS

BRIEFS

ARGENTINA-CHILE TECHNICAL EXCHANGE--Agricultural authorities of the Chilean region of Temuco and the Argentine region of Neuquen have decided to initiate a technical exchange in their activities. The initiative was born after a group of officials of the province of Neuquen's department of agriculture visited Temuco, almost 700 kilometers south of Santiago. The first exchange will involve Argentine specialists, who will acquire knowledge about forestation, maintenance of national parks, plant production and fighting forest fires while in Chile. Enrique Navarete, regional secretary of the Ministry of Agriculture, declared in Temuco that this initiative "is a real demonstration of an important phase of development in the bilateral integration of the regions of Chile and Argentina." [Text] [Buenos Aires LA NACION in Spanish 15 Feb 85 p 8] 12336

ARGENTINE TO HEAD CEPAL--United Nations Secretary General Javier Perez de Cuellar yesterday appointed the Argentine economist Norberto Gonzalez as executive secretary of the Economic Commission for Latin America and the Caribbean (CEPAL). Norberto Gonzalez replaces the Uruguayan economist Enrique Iglesias, who has been appointed foreign minister in the new Uruguayan government. Gonzalez, who until now has been the executive deputy secretary of CEPAL, will take up his new duties on 1 March next, the same date on which Iglesias will become Uruguayan foreign ministers. The new CEPAL executive secretary has been working for the United Nations since 1962; he has a doctorate in economics from the University of Buenos Aires (UBA) and has done postgraduate studies at the London School of Economics. Gonzalez is a former member of the Center for Economic Research of the Argentine Torcuato Di Tella Institute, as well as founder and former president of the Argentine Institute for Economic and Social Development. [Text] [Buenos Aires LA NACION in Spanish 13 Feb 85 p 16] 12336

EXPORT INSURERS TO CONVENE --Peru will host the First Latin American Meeting of Export Credit Insurance Firms, whose representatives will gather in our capital to lay the groundwork for efficient cooperation to protect foreign trade development and export activities involving credit. The Peruvian Export Credit Insurance Company (SECREX), which is made up of insurance companies and commercial and state banks of Peru, is organizing the event, scheduled to take place on 1 and 2 April at the convention center of the Latin American Association of Financial Institutions for Development (ALIDE). The objective of this first assembly, which will be attended by representatives of Argentina, Brazil, Colombia, Mexico, Venezuela and Uruguay, is to establish policies of cooperation and coordination for these agencies, with a view to promoting exports through efficient credit insurance services. [Text] [Lima EL COMERCIO in Spanish 23 Mar 85 p A-15] 8926

ANGUILLA

UK BACKS PUBLIC WISHES ON QUESTION OF INDEPENDENCE

FL051940 Bridgetown CANA in English 2322 GMT 4 Apr 85

[Text] The Valley, 4 Apr (CANA)--The British governor of Montserrat, Alastair Baillie, says Britain's position on independence for this self-governing crown colony depends on the wishes of the population.

The position of the United Kingdom with regard to the granting of independence for Anguilla is clear and unambiguous, he told the general meeting of the Anguilla Chamber of Commerce. ...If Anguilla wishes to proceed to independence, the United Kingdom will facilitate that process. If the people do not wish for change, the United Kingdom will not impose change against their wishes, he remarked.

Baillie said the Anguilla 1982 Constitution, under which the 35-square-mile island reverted to colonial status after breaking away from a political union with St Kitts and Nevis, was an advanced one and he did not see any major changes forthcoming unless and until Anguilla decides to proceed to independence.

He praised economic progress over the past few years, saying it is a matter for pride that the island can now balance its recurrent budget and does not have to rely on budgetary aid any more. There is no reason why Anguilla should not comfortably continue to meet its recurrent financial obligations if expenditure continues to be controlled prudently and taxes collected efficiently, he said.

Baillie said Britain would continue to be the main source of development aid for the island. Anguilla is one of the few remaining British colonies in the Caribbean.

CSO: 3298/559

ANTIGUA AND BARBUDA

BIRD HITS EAST-WEST RIVALRY, U.S. POLICY ON UNESCO

St Johns NATION'S VOICE in English 15 Mar 85 p 2

[Excerpts]

Antigua and Barbuda has deep concerns over the constraining influence of super-power rivalry on small nations, is critical of the manner in which the west delayed aid to famine victims in Ethiopia because of ideological considerations, and is unhappy with the US withdrawal from UNESCO.

These were among the issues raised by the country's Deputy Prime Minister, Lester Bird at the recent summit here of Commonwealth Caribbean Leaders and Canada's Prime Minister, Brian Mulroney.

Bird told his colleagues that the concept of spheres of influence significantly reduce the capacity for self determination in small states. National action, even when popular, was often constrained by fears over the response of the particular super-power in whose sphere the country fell.

Said Bird: "Thus, almost as second nature, governments of small countries are forced to factor the policies of a particular super power into their national decision making.

"They live with the constraint that their countries might be destabilised if their decisions are unacceptable to the particular super power in their area. This condition of fear severely restricts independence of action, national self-expression and the exercise of sovereignty restricts independence of action."

He drew the example of the Soviet interventions in Hungary in 1965 and Czechoslovakia in 1968, and the consequence faced by countries which fell out of line.

He said that while US action may not be so extreme small states in the

American sphere of influence had the perception "that some sanction would be implemented against a state which pursued policies not approved by the United States."

Bird in relation to Ethiopia, expressed concern that "Millions of starving people were denied assistance from the west for so long because the government is allied to the east."

"Similarly, within our own hemisphere, we are disturbed when repressive regimes, guilty of the worst violations of human rights, are maintained in office in some Latin American states because of East/West manoeuvres to gain ascendancy to those countries," the Antigua-arbudá, Deputy Prime Minister said.

Bird deplored the fact that while East/West rivalry persisted and heavy spending of weaponry went ahead, poor nations were denied development assistance.

"We must not wait for the Caribbean to confront the circumstances of Africa before we talk about increasing aid, we must address the need for aid to the Caribbean now in order to avoid the circumstances of Africa in the near future."

Bird also criticised what he called "A retreat from multilateralism" and saw the US withdrawal from UNESCO and threats by some of its allies to follow suit in this light.

"The withdrawal of the United States from UNESCO is a retreat from multilateralism and the beginning of a return to bilateralism, which causes alarm among all small states, too vulnerable to maintain their national independence in the face of big power pressure," he said.

Bird said that Caribbean countries felt there was need for reform in UNESCO, but found it difficult to support the weakening of international institutions to achieve reforms.

"To be frank," he said, "It is not without significance to us that while we have called for reform of the International Monetary Fund and the world bank nothing has happened and yet even when genuine efforts have been made to reform UNESCO, some nations have found it convenient to withdraw."

ANTIGUA AND BARBUDA

DETAILS FROM GOVERNMENT'S PROPOSED 1985 BUDGET

St Johns NATION'S VOICE in English 15 Mar 85 pp 1, 5

[Text]

In a prepared speech to the joint sitting of Parliament, Thursday March 7, 1985, the Minister of Finance, John St. Luce, presented a budget of 201 million for the fiscal year, 1985.

This total represents a recurrent expenditure of \$138,212,022.00 and a capital budget of \$63,710,507.00.

In presenting the budget, The Minister gave an overview of the general economic outlook in our hemisphere and the regional trends, since most of the economies are inter-dependent. He outlined the gross difficulties besetting the economic giant - the USA - and the rate of unemployment around the world. He stressed that these were critical times as more and more persons are for a scanty supply of jobs.

OBSERVATIONS

The sharp fall off in the earnings of oil-producing countries and the plight of the drought-stricken parts of Africa did not go unmentioned as he cited the serious external debt problems which confronted many a nation today. Nor did he forget the inaction by the developed world concerning Third World countries quest for a new international economic order. In this new order, there would be an increasing volume of aid, a greater influence in decision-making processes in international institutions, more scientific and technological assistance, the relocation of less competitive industries from the developed countries to the developing countries and also more food and agricultural aid.

The inequalities

which exists in the world allowing for the top 20 percentage (20%) of the world's income-earning households to receive appropriately seventy percentage (70%) of the global income while the bottom 40 percentage (40%) of income earning household received only four percentage (4%) were observed as catalyst to disorder.

NO ESCAPE

The smallness of Antigua and Barbuda was in no way an escape from the serious ills with which the large countries are afflicted. Like them, expenditure was outstripping revenue. Like them, we have had high wage demands. Like them, we are experiencing an inability to service external debts satisfactorily. There is need to make

structural adjustments, and though in the short run, there will be a fall in consumption patterns and the standard of living, which will no doubt be painful, it is far better to cure a simple ailment now than to attempt a cure a cancerous one when it is too late.

In spite of these ills, there was economic growth in 1984, the growth of gross domestic factor costs was 3.2%. For the corresponding period of 1983 and 1982, it was 2.3 per cent and 1.7 per cent respectively. Progress, however, could be measured in sounder terms than the increases in the country's production and the increase in per capita income.

It could be proved that the gap between the well-to-do and the poor was closing thus arresting the trend of inequality that is so obvious in most other countries of the region.

The Antigua Labour Party government, despite the world's choppy economic seas was able to create thousands of new jobs for the nationals of this twin state. It is indeed something of which we can be proud as there exists today more equality of opportunity than in the past.

## A WORD FOR THE BANKS

Mr. St. Luce had serious words of wisdom for the banks. Deposit rates have been falling but loan advances interest rates have not been falling as swiftly. The banks were advised to look more deeply into this trend with a view to correcting it. Assistance to small savers was however praised.

The Hon. Minister then presented the breakdown of the various heads of expenditure.

Head of Expenditure  
E-1 Governor General  
347,012,000/ 0.2 per cent

E-2 Legislature  
\$620,837.00/ 0.4 per cent

E-3 Cabinet  
\$1,087,294/ 0.8 per cent

E-4 Judicial \$140,000/  
0.1 per cent

E-5 The Service Commission Head  
\$490,162/ 0.1 per cent.

E-6 Audit \$309,594/  
0.2 per cent

E-7 Pension and  
Gratuities 46,053,108/  
4.4 per cent

E-8 Charges on Ac-

count of the National  
debts. \$21,959,053/ 16  
per cent

E-19 Prime Minister's  
Ministry \$15,514,923/  
11.2 per cent.

E-15 Ministry of Fi-  
nance \$13,882,993/  
10.1 per cent

E-20 Ministry of  
Agriculture, Fisheries  
and Lands  
\$6,189,465.00/ 4.5 per  
cent

E-35 Ministry of Public  
Works \$14,810,158/  
10.7 per cent

E-40 Ministry of Ex-  
ternal Affairs.

Economic Develop-  
ment Tourism and  
Energy \$11,016,427/ 8  
per cent

E-45 Ministry of  
Labour, Housing and  
Co-operatives  
\$1,664,087/ 1.2 per  
cent

E-50 The Attorney  
General and Ministry  
of Legal Affairs  
\$1,645,378/ 1.2 per  
cent

E-55 Ministry of Public  
Utilities, Aviation,  
and Public Informa-  
tion \$7,508,737/ 5.4  
per cent

## REVENUE

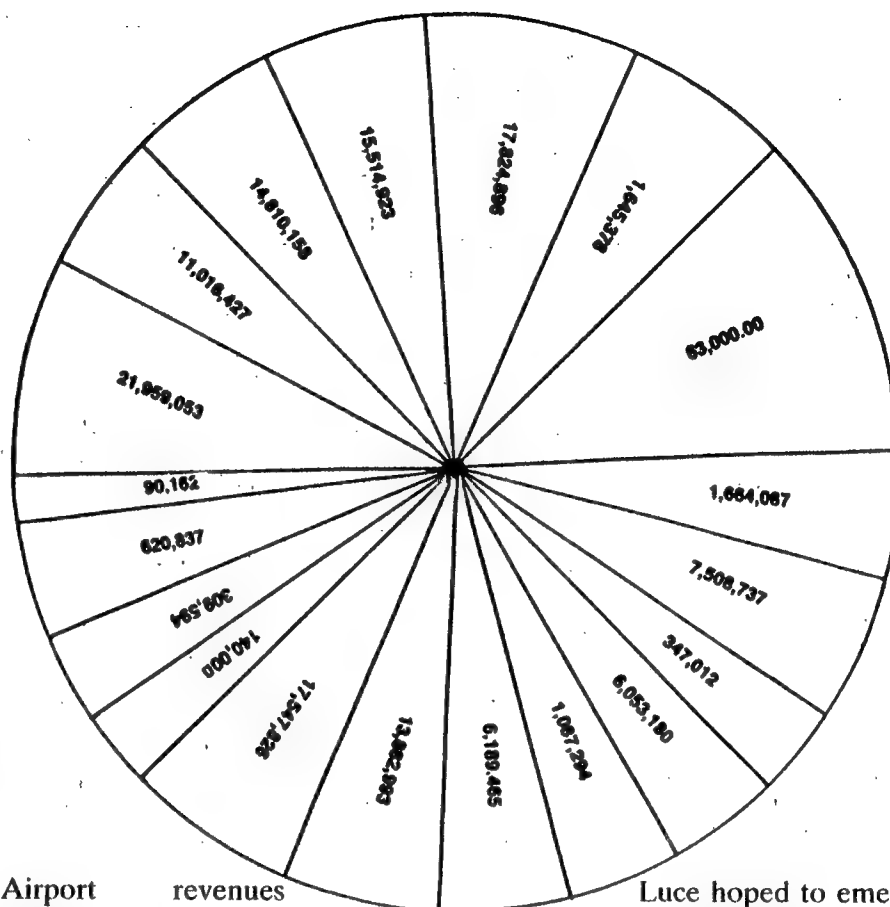
The Hon. Minister  
then reported that re-

venues collected in 1984 exceeded \$100,000,000. It was the first time that this had occurred and the projected figure for 1984 is now expected to be \$112,000,000.

It was anticipated that there will be an increase in the amount of revenue collected this year and the Minister gave a breakdown which is as follows:

Profit from East Caribbean Central Bank \$4,000,000  
Rental from bases at Coolidge \$4,100,000  
this goes towards servicing loan for old desalting plant and power plant at Crabbs and for the repayment of loan used in the reconstruction of Halcyon Cove Hotel.

Land sales through the Ministry of Agriculture Fisheries and Lands \$1,000,000.00  
Reimbursements of Medical expenses through the Ministry of Health \$2,700,000.00  
Landing fees and other



Airport revenues \$2,400,000.00

Custom, Import duties, Consumption tax ect. \$63,300,000.00

Inland Revenue Department \$41,000,000.00

Property taxes \$2,000,000.00

The debates on the budget followed over the next two days with each member of parliament

make his contribution.

In winding up the debate, Mr. St. Luce requested the Co-operation and Co-ordination of other Ministries in curtailing unnecessary expenditure. By reminding all that a chain is as strong as its weakest link, Mr. St.

Luce hoped to emphasize the need for rigidity in expenditure control. Once the Budget was approved, he said, neither he nor his ministry had any control on the spending of funds. It was left to the Ministries to exercise restraint by cutting what even was not needed from the list of request.



8 May 1985

## ANTIGUA AND BARBUDA

## ATLU ORGAN SAYS IT'S TIME FOR CHANGES IN CABINET

St Johns THE WORKERS VOICE in English 2 Mar 85 p 1

[Text]

Since the ALP won the elections in 1976 after having been in the wilderness for a short five years, there has never been a major reshuffle of the Cabinet Ministers. There has been two minor 'moving around' but nothing of significance.

The general public believes that the time is now overdue for the Prime Minister to do some reshuffling. They are convinced that it is the only way to get some action out of these office holders once again. They are all growing fat around the waist.

Several reasons can be given why these people who hold political power over us should not be allowed to settle into their respective ministries any longer. As they have no shadow ministers, since there is virtually no opposition, they have become quite lakadazical in their jobs. Each one feels that he is an island unto himself. And like the Chairman for Life of ACLM, Brother Hector, they also feel that their ministries are theirs for life.

Some have been in the same ministries for nearly ten years now. A transfer to another ministry would do them no harm. As a matter of fact it would go a long way to ease some of the jealousies which obviously 'crop' up in Cabinets where democracy is practised.

For instance the Minister of Public Works would be accused of fixing the roads in his constituency and those of his clique in Cabinet at the expense of others, who obviously would complain. This can be said of almost all ministries which provide services.

Lets say Mr. O'Mard is put at Public Works, then the neglected roads and drains in City South would receive immediate attention, and he would look about his friends constituency in Pigotts and Barnes Hill where the roads are awful. There are a lot of other examples which can be stated here, but the Prime Minister in his wisdom would know how to shift them around without fuss. After all he has juggled around the

persons who have acted as Governor General in such a skillful way that no one knows who would eventually get the nod when and if Sir Wilfred decides to call it a day.

Prime Minister told a friend of his that he did not want anyone serving in the position too many times or for too long, or else they would believe the post belonged to them. And that would create problems when the time came for him to appoint a new Governor General.

The Ministers already believe that their respective ministries belong to them, and the public is watching on very suspiciously, so this newspaper calls on the P.M. to show who is 'Boss' and let us get a reshuffle now. Bear in mind also that although you did not say like the last Premier that your government was the "most educated" in the Caribbean, you did say that your Ministers could "sit in any Parliament in the world". By shuffling them around you would afford them the experience for such an eventuality.

ARGENTINA

CHALMERS, PESCARMONA GRANTED YACYRETA TURBINE CONTRACT

U.S.-Canadian Consortium

Buenos Aires LA NACION in Spanish 15 Mar 85 p 13

[Text] The executive director of the two-nation Yacyreta agency yesterday confirmed LA NACION's scoop that the contract for the construction, assembly and startup of the 20 turbines at the hydroelectric power plant has been awarded to the Allis Chalmers-Dominion Engineering Work consortium.

Executive director Dr Porforio Aquino, accompanied by the full Board of Directors of the agency, explained that the winning bid totals \$213,800,000 (1980 U.S. dollars), plus inflation adjustments for the various items. The two aforementioned firms were the only ones that maintained valid bids.

Allis Chalmers proposes that the financing be handled through a \$400 million Eximbank loan to purchase the turbines and the heavy equipment, but only for the U.S.-made items. The Canadian Export Bank is offering another \$400 million under the same terms.

Aquino explained that the two loans have a 20-year payback term with a 10-year grace period at a 7.75 annual interest rate for the turbines and 9 percent a year for the heavy equipment. "These are very favorable conditions," he said, "and not easy to get anywhere in the world under present circumstances."

Moreover, the Central Bank has a standing \$50 million line of credit to finance the participation of Argentine industry in the manufacture of the turbines, he added.

Requests for Information

When asked about the Chamber of Deputies' requests for reports, Aquino noted that his agency told the Energy Committees of both the Senate and the House everything about the awarding of the turbines contract and furnished all the necessary documentation.

He went on to say that the most important thing about the turbine contract, in addition to meeting the project timetable, is that it is going to spur domestic industry, whose share will be around 58 percent, and provide the latest technology, which the country will even be able to export.

He announced in conclusion that a decision would soon be made on the rest of the main electromechanical equipment at the hydroelectric power plant.

#### Pescarmona Involvement

Buenos Aires LA NACION in Spanish 24 Mar 85 p 14

[Text] Mendoza--The local firm Industrias Metalurgicas Pescarmona will be in charge of manufacturing more than 70 percent of a battery of 7 hydroelectric turbines of the 20 in the Argentine-Paraguayan Yacyreta project.

A group of company executives, headed by director Eduardo Andreu, explained the firm's role and indicated that Pescarmona and Cometarsa de Campana make up the so-called Matanac union, which represents the Argentine industries that will be involved in building the two-nation hydroelectric complex.

The consortium that has the contract for the project, Allis Chalmers of the United States and Dominion Engineering Work of Canada, agreed to the involvement of Metanac.

The Argentine industries will be in charge of building, transporting, installing and starting up seven hydroelectric turbines and of providing the components for the construction of an eighth one. The U.S.-Canadian consortium will take care of the 13 others.

Pescarmona executives said that the company's tasks would involve more than a million man-hours of work.

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ARGENTINA

GRINSPUN TO PARTICIPATE IN CABINET, ECONOMIC MEETINGS

Buenos Aires LA NACION in Spanish 13 Mar 85 p 18

[Text] The Planning Secretariat, which Bernardo Grinspun will take over today, will remain on the eighth floor of the Finance Ministry building, in the wing that faces Hipolito Yrigoyen. One of the former economy minister's future colleagues provided this piece of information last night, thus ruling out the possibility that Grinspun might move into the 25 de Mayo and Corrientes side of the building, where the former Planning Secretariat under the military government operated.

In other words, Grinspun will today move into an office three floors directly above the one now occupied by Juan Sourrouille. Until this past 18 February the situation was reversed.

The new functions with which President Alfonsin has entrusted his fellow party member and friend are accurately described by the name of the secretariat: planning.

In exclusive statements to LA NACION that were published in last Sunday's edition, the chief of state clarified that Grinspun "will devote himself strictly to long-range planning," thus indicating that Grinspun would not get involved in what has come to be called near-term social and economic matters.

The president's clarification notwithstanding and regardless of whether the two areas can be kept separate or not, we must not overlook that as planning secretary Grinspun will, among other things, attend meetings of the national cabinet and of the economic team. He could well also take part in the "accommodation" [concertacion] meetings, as his predecessor in the post, Juan Sourrouille, regularly did. These bodies obviously deal with short-term problems.

The functions that have been assigned to Grinspun (at least the ones spelled out by the president) are not unknown to the former economy minister. During the administration of Dr Arturo Illia, he served as executive secretary of the National Council for Development, the forerunner of the present-day Planning Secretariat.

ARGENTINA

ALSOGARAY VIEWS UCD FACTIONS FAVORABLE TO ELECTIONS

Bahia Blanca LA NUEVA PROVINCIA in Spanish 11 Mar 85 p 3

[Article by Eduardo A. Zanini]

[Text] Buenos Aires--Alvaro Alsogaray's Democratic Center Union (UCD) has in recent months allowed several factions to spring up, reportedly because of the party's swelling ranks. All of these factions have influence in the district of the Federal Capital and they have begun campaigning for the election of convention delegates this coming 28 April. The delegates, in turn, will choose the party's candidates for elected office (deputies and councilmen) at the legislative elections next 3 November.

Sixty convention delegates will be chosen at the party elections on 28 April in the capital district. They and the 120 who have already been selected will nominate the party's candidates for deputy and councilman from the Federal Capital.

The internal election also enabled the party to expand its Federal Capital Executive Board from 24 to 30 members. UCD members were unanimous in asserting that the decision stemmed from "the party's rapid growth."

Party officials asserted that "we now have more than 60,000 members, whereas in October 1983 we had less than 40,000. We have boosted our membership by more than half."

The leaders of the UCD, which has two national deputies and two metropolitan councilmen as well as numerous legislators and aldermen in the interior of the country, are not holding back their optimism as a result of the party's obviously rising voter support. The UCD and the Intransigent Party, not to mention the Radical and Peronist parties, are now real choices at the polls.

Both the UCD and Oscar Alende's party regard the outcome of the 1984 student balloting as a good pre-election barometer. In the university voting the two parties gained in support and even saw their candidates win in certain student centers, running close races with the Radical Party's Franja Morada, which is still in the majority, and leaving the Peronists further behind.

The party's strategy will be to unite the center in opposition to the Radical government and to Peronism, which at this juncture are doing worse at the polls than they did on 30 October 1983, according to UCD observers.

Nevertheless, the liberals are kept awake at night by the daunting thought of having to move into and establish a strong position in Buenos Aires Province, where there are no obvious UCD strongholds and where they are aiming their political guns. "If we venture into the capital," said a Buenos Aires activist, "we could really come out looking like fools."

Moreover, the centrists will have to overcome the problems entailed by the growth of their organization, after a variety of past "experiments" such as the Independent Civic Party (starting in 1956) and New Force (1973), all of which took their cue from Alvaro Alsogaray.

"After the election on 30 October and the upcoming one, we have gone through our winter," a UCD leader remarked with irony, alluding to the famous remark that Alsogaray made in June 1959 when he was Arturo Frondizi's economy minister.

To give readers a better view of the complex "centrist" map, we should mention that the UCD, which has nationwide legal status, has district alliances with kindred political groups, as in San Juan, where it is allied with the San Juan Center Party, or in Cordoba, where it has ties with the Democratic Center Party.

In the Federal Capital they "knitted" a campaign alliance with the Federalist Party of the Center (Emilio Hardoy, Federico Carman) and with the Democratic Party (Roberto Azaretto, Marcelo Gey), with which they will present joint lists in the upcoming national election.

There are four factions running in the UCD's 28 April elections in the capital. One of them is headed by councilman Francisco Siracusano and has the backing of the president of the party's electoral board, Alberto Sersocimo; called the Independent Civic Center, it is Alsogaray's most loyal following.

The group 20th Century and the youth organization called Liberal Action comprise the so-called "orthodox" wing, whose best-known figures are Armando Ribas, the newsman and former candidate for deputy, Pedro Benegas, the president of the capital youth group, and leaders Manuel Mora y Araujo and Ernesto O'Farrell.

There is also the Renovating Social Movement; headed by Juan Jose Crespo, a former Manriquez man, it has no major differences with Siracusano's group. Also in the running is the faction led by Julio Crespo Montes and Maria Julia Alsogaray.

This week another faction will be formed; called Unity and Opening, it will nominate Maria Julia Alsogaray and Jorge Oria as its top candidates for national deputy. Oria ran for vice president of the nation at the election of 30 October 1983.

8 May 1985

## ARGENTINA

## POLL SHOWS 42 PERCENT BELIEVE PERONISM DISINTEGRATING

Buenos Aires MERCADO in Spanish 21 Mar 85 pp I-VIII

[Text] The Future of Peronism

The increasing atomization of Peronism and the struggle that the party is engaged in to unify its leadership pose a serious question for the future that no too many observers are eager to answer: Will the country's number one political force disappear? According to a poll conducted by A&C among 400 persons in the Federal Capital and Greater Buenos Aires, 42 percent feel that Peronism "is headed towards disappearance," while 40 percent think that it is "on the road to improvement." We should clarify that the survey was taken after the party rift between what was its "establishment" and the dissidents and before the judge ruled in favor of the latter. Another interesting finding is that 42 percent of the respondents felt that "Iglesias's followers" were to blame for the rift in Peronism, while 40 percent thought that the party itself was the problem.

One of the findings of the poll was that both Peronists and voters for "another" party want a unified Justicialism. The loss of votes owing to a split is reason enough for Peronists, the survey adds. To the voters for "another" party the loss of a strong opposition could mean not enough political give-and-take between government and society, where minority parties cannot make themselves heard unless they have the support of the Peronists, who can send word to the administration.

The proposed Peronist unification should be a source of concern to Radical voters, inasmuch as the Peronists who voted for the UCR [Radical Civic Union] in 1983 because they disagreed with Iglesias might once again cast their ballots for the Justicialista Party in the deputy elections in the event that Iglesias is forced to play second fiddle to the dissident group.

When people were asked in December 1983 whether Peronism ran the risk of disintegrating as a party in the wake of its defeat at the polls, 19 percent of the respondents said yes. Now, 42 percent feel that Peronism will disappear in the wake of its split. In addition,

57 percent thought before that Peronism would make improvements in its leadership after the election defeat, whereas now only 40 percent think that the rift will better the party. Argentine society's expectations of a promising future for Peronism seem to have shrunk.

A poll taken after the plebiscite on the Beagle pact and before the Peronist split at its congress in the Odeon Theater yielded the following findings. Some 45 percent thought that the outcome of the plebiscite would divide the Peronists and 42 felt it would not. Shortly thereafter there was a split between the ruling faction and the dissidents. Then the dissidents became the faction in power.

The poll that is the subject of this article was taken among a representative sample of 400 people in the Federal Capital and Greater Buenos Aires, in accordance with the population parameters of the most recent census. The work was 100 percent supervised. The margin of error of the sample is plus or minus five percent. The following are the tables of results.

Table 1. Do You Think That Peronism...?

<u>Response</u>	<u>Percent</u>
Is on the road to improvement	40
Is headed towards disappearance	42
Don't know	12
Other	6
Total	100

Public opinion is divided, but it is not the same for a Peronist to say that his party is disappearing as for a Radical to say it.

Table 2. Response to Above Question by Party

<u>Response</u>	<u>Peronist Party</u>	<u>Radical Party</u>	<u>Other</u>
On the road to improvement	65	24	35
Heading towards disappearance	23	54	46
Don't know	11	11	13
Other	1	11	6

It stands to reason that most Peronists would think that their party is on the road to improvement. It is noteworthy that almost one-fourth of the people who voted for Justicialismo feel that their party is disappearing. Before we ask who is to blame for this situation, we would do well to investigate the gap between men and women on this issue, inasmuch as women were Alfonsin's biggest supporters in the 1983 election.



Table 3. Response to Above Question by Educational Level

<u>Response</u>	<u>University</u>	<u>Secondary</u>	<u>Primary</u>
On the road to improvement	26	45	41
Headed towards disappearance	57	44	36
Don't know	11	6	16
Other	6	5	7
Total	100	100	100

If we assume that most Peronist voters are not university-educated, then it makes sense that this group feels strongly that the party will disappear. Opinion among those with primary- and secondary-school education is more evenly divided, and we can assume that among their ranks are many Peronists. This leads to the next question: In the opinion of voters, who is to blame for the current situation in Peronism?

Table 4. Response to Above Question by Sex

<u>Response</u>	<u>Women</u>	<u>Men</u>
On the road to improvement	35	46
Headed towards disappearance	46	37
Don't know	15	8
Other	4	9
Total	100	100

Although opinion is closely divided, more women than men feel that Peronism is on the way out

Table 5. Who Is to Blame for the Split in Peronism?

<u>Response</u>	<u>Percent</u>
The dissidents	4
The followers of Iglesias (in power)	42
Peronism	40
Don't know	7
Other	7
Total	100

We can see that the people feel that Iglesias' followers and Peronism itself are to blame for the rift in the party. Those who blame Iglesias' people have the option to follow the dissidents, but those who are down on Peronism and voted for it in 1983 are adrift because they see no solution within Peronism.

Table 6. Response to Above Question by Party

<u>Response</u>	<u>Peronist Party</u>	<u>Radical Party</u>	<u>Other</u>
The dissidents	5	3	4
Iglesias's followers	48	44	36
Peronism	31	44	37
Don't know	8	6	16
Other	8	3	7
Total	100	100	100

There is almost unanimous agreement that those who want change for Peronism are not to blame. Responsibility is divided between Iglesias's followers and the party itself. It stands to reason that Radical voters are pointing their fingers at Peronism, but it is quite a turnaround for the people who voted Peronist at the last election to do so.

Table 7. Response to Above Question by Sex

<u>Response</u>	<u>Men</u>	<u>Women</u>
The dissidents	2	5
Iglesias's followers	37	46
Peronism	44	36
Don't know	7	10
Other	10	3
Total	100	100

More women than men see Iglesias as the root of the problem, although many of them also blame the party itself. This makes sense, inasmuch as women apparently cinched Alfonsin's victory at the last election.

Table 8. Response to Above Question by Educational Level

<u>Response</u>	<u>University</u>	<u>Secondary</u>	<u>Primary</u>
The dissidents	4	5	3
Iglesias's followers	28	39	46
Peronism	50	41	36
Don't know	5	10	6
Other	13	5	9
Total	100	100	100

Although people with a primary school education blame Iglesias more than Peronism, a high percentage also see Peronism as the source of the problem.

Table 9. Who Should Be in Charge of Peronism?

<u>Response</u>	<u>Percent</u>
Iglesias's followers	3
The dissidents	29
Should unite	46
Don't know	5
Other	17
Total	100

Peronism's real problem seems to be a lack of unity. We should investigate which people feel this way. The desire for Peronist unity is not prompted by the same feeling when voiced by a Peronist as by a Radical, for example.

Table 10. Response to Above Question by Sex

<u>Response</u>	<u>Women</u>	<u>Men</u>
Iglesias's followers	2	3
The dissidents	29	29
Should unite	48	44
Don't know	6	4
Other	15	20
Total	100	100

There do not seem to be major differences between men and women.

Table 11. Response to Above Question by Educational Level

<u>Response</u>	<u>University</u>	<u>Secondary</u>	<u>Primary</u>
Iglesias's followers	2	2	3
The dissidents	26	38	24
Should unite	35	38	54
Don't know	2	7	4
Other	35	15	15
Total	100	100	100

Whereas those with a lower level of education feel most strongly that Peronism should unite, the university-educated have the largest number of "other" responses. Note that these are the same ones who said that Peronism was disappearing.

Table 12. Response to Above Question by Party

<u>Response</u>	<u>Peronist Party</u>	<u>Radical Party</u>	<u>Other</u>
Iglesias's followers	3	2	1
The dissidents	29	34	27
Should unite	55	41	42
Don't know	3	3	12
Other	10	20	18
Total	100	100	100

It stands to reason that the Peronists want their party to unify; they realize that divided they fall. They also realize that the violence entailed in any rift might prompt some members to shift party allegiance. It is noteworthy how many Radical Party and "other" voters think as the Peronists themselves do on this issue. What the non-Peronists who want the party to unify fear bears investigating. A possible explanation could be that they want a strong opposition and fear that a Peronist split could lead to its disappearance without the ruling party having any real opponent among the minority parties. Another plausible explanation is this: wanting the ruling faction to unite with the dissidents is like wanting a cat and dog to live in harmony. This would be tantamount to saying that they ought to keep each other occupied so that they do not interfere with what the government is doing. It is not unlikely that the high percentage of "other" among non-Peronist voters represents the feeling that Peronism should join the ruling party or be headed up by its labor forces.

Table 13. It Is Better for the Country...

<u>Response</u>	<u>Percent</u>
For Peronism to unite	77
For Peronism to split up	11
Don't know	2
Other	10
Total	100

There seems to be no doubt about how most of the country feels on this issue. If we recall, however, that opinion was almost divided on the first question of whether Peronism was improving or disappearing, we can conclude that although half of the respondents feel that Peronism will do better by splitting up, it is not good for the country for it to have to do so. Even those who believe that a Peronist split will lead to its disappearance feel that this would be bad for the country.

Table 14. Response to Above Question by Party

<u>Response</u>	<u>Peronist Party</u>	<u>Radical Party</u>	<u>Other</u>
For Peronism to unite	92	69	75
For Peronism to split up	5	16	11
Don't know	--	1	5
Other	3	14	9
Total	100	100	100

The overwhelming majority of Peronists feel that it is better for the country for Peronism to unite. With slight differences, others feel the same.

Table 15. Response to Above Question by Sex

<u>Response</u>	<u>Women</u>	<u>Men</u>
For Peronism to unite	75	79
For Peronism to split up	15	7
Don't know	2	12
Other	8	2
Total	100	100

The higher percentage of women who say that Peronism should split up shows that women are less tolerant of the Peronist faction that favors violence.

Table 16. Response to Above Question by Educational Level

<u>Response</u>	<u>University</u>	<u>Secondary</u>	<u>Primary</u>
For Peronism to unite	54	78	82
For Peronism to split up	33	12	6
Don't know	--	--	3
Other	13	10	9
Total	100	100	100

The higher the level of education, the stronger the belief that Peronism should split up, and the lower the level, the stronger the feeling that party unity would be constructive.

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ARGENTINA

POLITICAL PARTIES LAY GROUNDWORK FOR CONGRESSIONAL ELECTIONS

Quiet Convention for Radicals

Buenos Aires CLARIN in Spanish 24 Mar 85 pp 12-13

[Article by Enrique Medeot: "Radicalism: A Muted Convention"]

[Text] The nation's political parties are starting to look at the calendar. Within 6 months, congressional election fever will hit the country. Each in its own way and each with its own intensity, the parties have begun the complex procedures of agreeing on candidates. Some trends and some names are taking shape; others have been a sure thing for some time now. In this article we take a close look at the current internal situation in the four groups that dominate the political scene and that are expected to get the most votes on 3 November.

It is a well-known fact that the Radical Party's number one man keeps on saying that he can, in fact, prevent infighting. Like the other experienced Radicals, Raul Alfonsin is well aware of the dangers of that sort of confrontation. The front line of the ruling party is prepared to follow the instructions of the UCR [Radical Civic Union] commander. Yet these same leaders realize that some individuals (not many, to be sure) have slipped through their hands.

The Radical Party's caucuses for party and elective posts have begun. As we know, in November there will be elections for the lower house. Here are two examples. Caucuses have already been held in San Luis, where a slate headed by the Yrigoyen Affirmation Movement (led by Senator Luis Agustin Leon) won out; the slate also included leaders from the traditional (or historic) faction of Renovation and Change. In Tucuman, meanwhile, the candidates for national deputy had already been nominated, because the elections had originally been scheduled for the first Sunday in March but were then postponed until November at the request of the Executive Branch.

As is to be expected, the most troublesome districts are the also the most important ones. And not only owing to the number of elective posts but also because of their political weight. The issue seems to have been resolved in Buenos Aires Province. There will be no caucuses there to select candidates for deputy. The reason is that the various factions came to terms, the leaders of the Coordinating Board and Renovation and Change in particular. Most of the incumbents, such as Leopoldo Moreau, Victorio Bisciotti, Juan Radonjic, Horacio Huarte and Balbino Zubiri, among others, will assuredly be renominated. Under the agreement, Juan Manuel Casella, who belongs to Renovation and Change, will be appointed chairman of the provincial committee, a post that he will use as a springboard to run for governor in 1987. Also competing in the province are National Line (Cesar Garcia Puente) and the National Integration Movement (Juan Carlos Pugliese).

Things are not so straightforward in the capital for the time being. After the steamroller victory by Renovation and Change in 1983, the youth leaders in the Coordinating Board began to lay the groundwork for dominating the entire sector.

Elections will be held in the capital probably just for party posts. In other words, the congressional slates will consist of the consensus candidates from the various factions. If this comes to pass, it is almost certain that incumbent deputies Marcelo Stubrin, Jorge Reinaldo Vanossi and Carlos Gonzalez Pastor, among others, will head the slates.

Santa Fe is another story. Caucuses will be almost impossible to stop in this district, especially because of how fierce the infighting is becoming. Luis Alberto Caceres is seeking to become (with the help of the Coordinating Board) chairman of the provincial committee and from there to occupy the governor's office 2 years later. Nevertheless, all indications are that it will not be that easy for him. He is opposed by the traditional faction of Renovation and Change, led by deputies Roberto Pascual Silva and Jose Costarelli, who have joined in an alliance with the intendent of Rosario, Horacio Isandizaga.

There has also been a rapprochement between Radicals in Cordoba, where the Cordoba Line is the strongest faction. The talks with Renovation and Change could yield results in the not too distant future. For the time being we know that Governor Eduardo Angeloz has offered Renovation and Change leaders a minority position on the slate. The latter, however, are demanding half of the spots.

And whatever happened to the matter of candidates from outside the party? The issue seems to have been forgotten in Radical quarters. Not by any stretch of the imagination is anyone thinking about offering the UCR organization to an outsider, even though the matter was discussed for hours at the party's most recent convention. "Bringing in people from outside the party is a very remote possibility. For the time being it is not being considered, even for San Juan," remarked a highly regarded Radical leader.

Youth Versus Establishment

Buenos Aires CLARIN in Spanish 24 Mar 85 p 12

[Article by Arnaldo Paganetti: "The Intransigent Party: The Old and the New"]

[Text] The Intransigent Party will be aiming its heavy artillery at districts in Buenos Aires Province and the Federal Capital in the off-year elections for deputies and councilmen. Therefore, the breakdown of the nominations and the makeup of the party's organizations, especially its National Committee, will set the tone for its future performance. Side by side in the Intransigent Party are the VTR's (that is, the members of the "viejo tronco radical" [old Radical mainstream]) and the many young people who joined in recent years, a great number of them from Peronism, communism, socialism and Christian Democracy.

The party is also strong in the province of Santa Fe, where Lisandro Viale, the party's current vice president, will be the leading candidate for deputy. The party will form coalitions with other forces in other districts in which its growth has made it optimistic (Entre Rios is one of them).

In the Federal Capital, no one questions by now that the current president of the district, Raul Rabanaque Caballero, will be renominated for deputy at the top of the slate. There is debate over who will come next and how and in what proportion the seats on the metropolitan committee will be distributed.

The so-called Ville del Parque Group is after party control. Right now, in fact, it controls the secretariats of organization, press and social action, but it also wants to make Marcelo Vensentini secretary general, and this will take some tough bargaining with Rabanaque.

The stand that Oscar Valdovinos takes in this regard will carry weight in the democratic competition; a man whose words are heeded, Valdovinos hopes to replace Rabanaque. As the press secretary and editor of the newspaper ALTERNATIVA, he proposes "unity without caucuses" and an in-depth reform of the party's charter "to truly encourage the involvement of the rank-and-file in decision-making."

Valdovinos has proposed Nestor Vicente, a former leader of the Christian Democratic organization Humanism and Liberation, as the second candidate for deputy, a move that both Vensentini and Rabanaque approve of and even promote. This must be reconciled with the ambitions of Antonio de la Vega and Niceforo Castellanos, who was a Red slate candidate at the 1983 convention.



In Buenos Aires Province the infighting stops when Oscar Alende speaks up. His condition for accepting the nomination is to be accompanied by "the most prestigious and brilliant men."

Alende's well-respected name at the top of the slate is expected to bring in a large number of votes. The people around the leader of the Intransigent Party say that the candidates with the best chance of sharing the ticket are, in this order, Miguel Monserrat, Jose Pedro Aramburu (the former provincial deputy from Rauch), leader Jose Chagalj from Rojas, and the current chairman of the provincial committee, Ernesto Barkirdjian.

After the event on 29 March, the focus of all the rallying efforts, comes the National Convention to reform the charter and reelect party officials.

Since Alende will be devoting his efforts to the legislature, the proceedings will begin to replace him as chairman of the party's National Committee. His successor will be either the aforementioned Viale or the man who now heads the committee's general secretariat, Mariano Lorences.

#### Four Factions in Fray

Buenos Aires CLARIN in Spanish 24 Mar 85 pp 12-13

[Article by R.F. Taboada: "UCD: Thinking About Seats"]

[Text] The liberals, the UCD [Democratic Center Union], have a premonition that they will do very well at the November election and elect several of their candidates for deputy and councilman. With their eyes on that date, the UCD's factions have begun to stir. In fact, their pace is quickening already, inasmuch as this coming 28 April there will be caucuses in the capital to add 60 convention delegates to the 120 already selected. The faction that makes off with the victory will obviously be in the best position to place its men at the top of the slates for next spring's legislative elections. Moreover, it will determine who's who in the party in the wake of its growth after the 1983 balloting.

Alvaro Alsogaray has clearly stepped to one side in the UCD caucuses, as has Vice President Jorge Ruben Aguado, whose name is often mentioned in connection with a legislative seat, regardless of what happens within the UCD. Meanwhile, from the core of the party machinery has emerged a group centered around the old Alsogaray guard, with, of course, support from new figures. This faction does not have a specific name, nor is it an official faction. At least this is what "the ruling faction" says. Nevertheless, the new waves of members who have joined the UCD say that it does, in fact, have a name: the National, Social and Popular faction. They also say that Councilman Francisco Siracusano

is the jack-of-all-trades in the faction, which is the most adept at bringing in new members and, therefore, the one insiders feel will have the most pull in the caucuses. As the head of the capital district, however, Siracusano indicates that he has taken the step that his post dictates. Deputy Juan Jose Manny is part of this faction, and reportedly so is Councilwoman Adelina de Viola.

Perhaps casting a glance at how large the ranks of Siracusano's people are, two other factions decided a few days ago to join forces: Liberal Union, a youth-dominated group that does not hesitate to resort to bass drums, spray paint and headbands, and Liberal Action, which is home to several intellectuals.

They adopted the name of the youth group and are now entering the caucus fray behind men such as Armando Ribas, Manuel Mora y Araujo, Ernesto O'Farrell and Jorge Bustamante. The youths are led by the man they want to nominate for a congressional seat: Pedro Benegas. Some of their other leaders are Roberto Ricoveri, Ernesto O'Farrell and Eduardo Roge.

While some of the young people were threatening to return to the old guard mainstream, Unity and Opening came out with another list aimed exclusively at the 28 April elections, inasmuch as the faction will reportedly disband afterwards. Led by Jorge Oria, who was Alsogaray's running mate in 1983, it will, it is taken for granted, promote Maria Julia Alsogaray as a candidate for deputy.

But there is yet another faction: Young Argentina, led by Julio Crespo Campos and Isabel Bensuzan and the most harshly critical of the official UCD leadership. The people who claim to be in the know about the goings-on in the brand-new centrist party think that Liberal Union and Young Argentina might also join forces. On the other side of the spectrum, the party's traditional faction and Unity and Opening might too. There would then be two lists: the opposition's (the young people and the intellectuals) and the "establishment's" (the old-timers who control the party machinery).

#### Rift Needs Healing

Buenos Aires CLARIN in Spanish 24 Mar 85 pp 13

[Article by Antonio Cesar Morere: "Peronism: Conflicting Programs"]

[Text] Just 3 months after the Odeon congress, where the rebellion led by the delegates from the interior broke out (they left the hall to protest what they described as "tactics of intimidation"), Oraldo Britos, one of the leaders of the rebellion, met with Lorenzo Miguel, one of the targets of the rebels' wrath, which was also and mainly directed against Herminio Iglesias.

The rebels then got together at the Rio Hondo congress and unfurled the banner of party renovation, electing a national council led by Britos. This is how the party has come to have two leaderships, although both factions recognize the absent Mrs Peron as the chairwoman of the national council and Raul Bercovich Rodriguez as head of the national party congress.

Since then the Odeon faction has been pushing for a "unity congress" to bring the two leaderships together. The Rio Hondo faction coined the slogan "Unity Does Not Mean Crowding Together" and decided to move forward with its agenda for renovation with an eye towards four specific goals: a) Win the court battle; b) Defuse the explosive situation in the Buenos Aires district by intervening and calling elections; c) Offset the longstanding labor predominance of the "Miguel" faction; and d) Bolster its influence in the congressional blocs.

Will the Miguel-Britos talk and do subsequent events such as the "friendship" barbecue hosted by Vicente Leonides Saadi in Tortiguitas, temper the Rio Hondo goals and revive the Odeon unity proposal? Only the direction that the attempted rapprochement takes can answer this question, because there is no simple, straightforward answer divorced from Peronism's troubled inner workings.

The specter of a rift and its foreseeable adverse impact on the party's performance at the elections next 3 November give reason to believe that in the end the unity proposal will win out over the idea of a renovation, though the two are not necessarily incompatible.

#### Labor Movement

The Odeon-Rio Hondo split had its counterpart in the Peronist labor movement. The groups of "the 25" (Roberto Garcia, Roberto Digon, etc) and of Management and Labor (Jorge Triaca) sided strongly with the renovation faction and are determined to challenge Lorenzo Miguel and the leaders who back him in the 62 Organizations for political and union power. But the anti-Miguel forces did not receive the same sort of support from the political wing of Peronism in their bid to call a "parallel" plenary session of "the 62," which refused to stand for a splitup of the traditional Peronist labor faction.

Regarded as the "backbone" of Peronism, the labor movement is so important within Justicialismo that a complete normalization of the 62 Organizations and an overhaul of the CGT [General Confederation of Labor] are indispensable prerequisites to an in-depth revamping of Peronism.

#### The Court Battle

The decision that finally comes down from the courts will legitimize one set of leaders and put an end to the current division. Judge Juan Fegoli ruled in favor Rio Hondo, acknowledging the validity of the congress that was held there and from which the renovation council

headed by Oraldo Britos emerged. The National Electoral Tribunal will rule on the matter in the next few days, and court circles feel that it will uphold the lower court's judgment. Even though it can be appealed to the Supreme Court, the ruling, while not a substitute for a political settlement, will still make it clear which leaders can, at least for legal purposes, be regarded as the heads of Peronism and will also even ease the administration's awkward task of figuring out who Peronism's "valid spokesmen" are.

#### Isabel's Role

Mrs Peron's "irrevocable" resignation obviated the controversy as to her role in the Justicialista Party. In any event, a future congress will have to decide officially and will have no other choice than to accept her resignation, after so many unsuccessful attempts to get word from the former president. A leadership position that Mrs Peron did not, in practice, occupy will thus become officially vacant. Many Peronists feel that this will pave the way for Italo Argentino Luder, the head of Peronism, to also assume the role of opposition leader.

#### The "Unity" Congress

If the union situation is normalized, the battle in the courts resolved and the most troublesome districts reorganized (starting with Buenos Aires), then the stage might be set for a "unity" congress, which under the current circumstances could lead to sharper confrontations and an irreversible split.

8743

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ARGENTINA

SAN LUIS GOVERNOR ASKS CABINET TO RESIGN: SPECULATIONS

Surprise Decision

Buenos Aires LA NACION in Spanish 27 Mar 85 p 16

[Excerpt] San Luis--In a surprise decision at the close of a lengthy cabinet meeting, the governor of San Luis Province, Adolfo Rodriguez Saa, has called for the resignation of all his ministers, undersecretaries and public administration directors.

It has so far been practically impossible to ascertain the governor's real intention, inasmuch as the official communique contains no specifics.

Government and Education Minister Roque Torres Morales simply indicated that the resignations had been submitted to enable the governor "to reshuffle" his government team.

He said that the cabinet members submitted their resignations spontaneously, unlike the directors, who were not at the meeting and who were asked to step down.

Eduardo Endeiza, the minister of public works and services, dismissed the notion that the episode had anything to do with the Peronist internal elections held here on Sunday. "This government," he said, "does not practice political cannibalism and is not going to remove any official who has performed properly, even if he is at odds with the party faction that backs the governor."

Separately, an unofficial spokesman asserted that the governor's intention was to make a few changes in his administration, specifically just two or three undersecretaries and a few directors. Political motives are not involved, however; he is merely after greater efficiency in some sectors of his administration.

In this regard, he mentioned the name of Dr Jose Samper, who will reportedly assume the post of undersecretary of welfare and social promotion.

'Political Cannibalism' Denied

Buenos Aires LA NACION in Spanish 27 Mar 85 p 16

[Article by Edgard Eneas Urtubey: "Two Versions That Shed Little Light"]

[Text] San Luis--Political and press circles in the province are anxious to ascertain the reasons for the governor's decision. And so are the public officials whose place on the government roster is at stake.

The initial rumors were that the governor's call for his colleagues' resignations was directly related to the party elections last Sunday, at which the Celeste list (Unity), which backs Rodriguez Saa for party chief, had to overcome many difficulties and beat back a final challenge that put the staging of the elections in doubt.

The incident has served to strain the already soured relations between Britos and Rodriguez Saa and fueled the rumor that the governor was now going to oust the senator's backers from key posts.

This account was roundly denied, however, by the minister of public works and services, Dr Eduardo A. Endeiza, who asserted that "this government does not practice political cannibalism."

Another Version

Meanwhile, the minister of government and education, Dr Roque Torres Morales, said merely that the resignations had been submitted to leave Dr Rodriguez Saa free to "reshuffle" his government team.

The two accounts are perhaps neither entirely true nor false. The truth might lie in the judgment of another high-level official whose job is on the line. He remarked that Rodriguez Saa's intention was to make a few changes in his government. He went on to say that the ousters would be limited to a couple of undersecretaries and a few directors. "Not for political reasons," he clarified, "but to achieve greater efficiency."

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ARGENTINA

## NEW ECONOMY MINISTER SOURROUILLE PROFILED

### Skilled Planner, Strategist

Buenos Aires EL ECONOMISTA in Spanish 22 Feb 85 p 2

/Text/ Aside from the irrelevant incidents which have recently troubled the course of events, the arrival of Juan Vital Sourrouille at the post of minister of economy has provided a breath of fresh air to a tense atmosphere which for several reasons had come to be unbearable.

It can be said that with the new minister the radical government enters a new stage with a few touches which differentiate it from the previous period.

The earlier period was marked by the demands of a foreign debt that had to be dealt with, discussed and negotiated within the unfavorable framework imposed by the country's dramatic economic conditions.

The current situation is based on the previous one but is at least moving in the right direction and has been resolved in its formal aspects, which at one time constituted the greatest stress. This will allow the new minister to focus on other objectives relating to recovery itself.

In this sense, Juan Sourrouille appears to be more than just the fighter required by recent circumstances; he appears to be a planner and strategist of a carefully thought out policy--controversial or not--of undeniable consistency. He comes across as an intellectual who has benefitted from the political enrichment he accumulated during the many meetings he had with different representatives of the nation's business, especially during his service as head of the Secretariat of Planning and at the bargaining table.

Dr Sourrouille has a broad background and his activities have been varied, as has been the range of subjects in which he has been deeply involved. The following are some of the titles and posts he has held: former secretary of planning, former head of the National Institute of Statistics and Census, former undersecretary of economy under Aldo Ferrer, former researcher at the Instituto Di Tella, former consultant of the Federal Investment Council, consultant of the International Labor Organization, member of the Academic Council of the Buenos Aires Program of the Latin American Social Sciences Faculty.

EL ECONOMISTA has published Dr Sourrouille's thoughts in an exclusive interview, the last he gave the press as secretary of planning. Thus, the ideas expressed by the new minister of economy now take on special relevance.

The following are the main passages of that dialogue:

"In times like the ones we are now experiencing, when room for action is reduced by the economic situation we have inherited, we must redouble our efforts through constructive talks. Periods of crisis create a feeling of uneasiness which in a muffled but incisive way spread to all segments of society. Without a clear vision and common discussion of the problem and of the decisions we must make to solve them the country runs the risk of exploding with a large number of defensive responses."

"During an emergency situation like the present one, dead end streets must be avoided. The first of these is the illusion of an immediate recovery which might temporarily fulfill our society's unsatisfied demands but at the price of worsening inflation, external imbalance and the compromise of economic growth and the welfare of the people. The second dead end street is the expression of a defensive reaction in the face of difficulties which gives birth to the idea of a nation retreating within itself, shunted aside from the great currents of technological interchange and modernization in today's world."

It is not a matter of questioning these two paths in the name of a technocratic authority. Rather, it is necessary, within a democratic framework, to stimulate thinking which will lead to the conviction that by going down those two dead end streets the decline of the nation accelerates. What must be done, then, is to encourage agreement on a strategy of growth.

In that strategy, the government has the role of guiding growth and guaranteeing the achievement of the established objectives by prudent and rigorous management of the overall economy. Economic forces will then intervene actively to make it possible for the country's recovery to be a viable undertaking. The reorientation of the economy proposed in this document has its capacity for expansion in the growth potential of private investment."

#### Characterized as Technocrat

Buenos Aires SOMOS in Spanish 22 Feb 85 p 9

/Text/ Juan Sourrouille's profile is more like that of a technocrat than that of a politician. A man who prefers studying and his office to internal party wrangling, the new minister is not even a radical. This constitutes, in the end, an advantage at a time when the internal ruling party's waters are far from calm.

That his name was chosen by President Raul Alfonsin when he replaced his companion-in-arms of so many years, the argumentative Bernardo Grinspun, did not surprise the experts.



Since January, when Sourrouille (with the president's blessings) presented to the nation his "Outline for economic growth strategy 1986-89" his stock has only gone up.

In fact, he was the only official staff representative who some days ago received, in Alfonsin's company, 14 representatives of 14 blue chip private enterprises. Circles close to power have asserted that from that moment on the fate of the now former minister was decided.

Sourrouille acknowledges especially friendly relations with two members of the official economic team. One with whom he has had bonds for years is Raul Prebisch, one of the top men on the Economic Commission for Latin America (ECLA), of which Sourrouille himself was an advisor in Argentina.

The other made him undersecretary of Economic and Labor during the term as minister (1969 to 1971) of Aldo Ferrer, who is now president of the Banco de la Provincia de Buenos Aires. Sourrouille was a pupil of Nobel Prize winners Ragnar Frisch and Richard Stone, expert accountants, and he was also a UN official.

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ARGENTINA

AUTO INDUSTRY REGISTERS MARKED DROP

Buenos Aires LA NACION in Spanish 24 Mar 85 Sec 3 p 5

[Text] The automotive industry posted drops in both production (79.4 percent) and total sales (54.6 percent) from January to February of this year, according to the information furnished by the Association of Motor Vehicle Manufacturers (ADEFA).

Automotive production in February reached 2,874 units, down 34.8 percent from the same month in 1984. However, output for the first 2 months of this year is 8.2 percent higher than for the same period last year.

ADEFA notes that February 1985 production is 52.1 percent lower than the February average over the past 10 years.

Production by Company

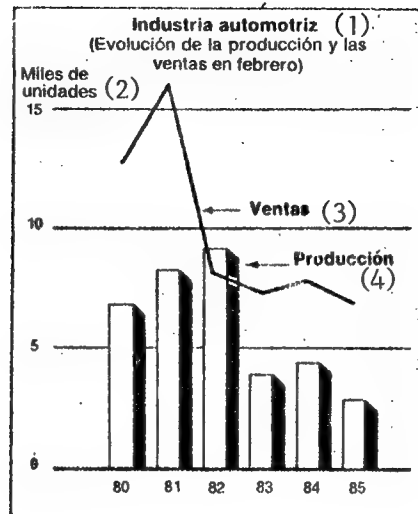
Of the 2,874 units manufactured last February, Ford Motor Argentina accounted for the highest number, 1,003, followed by Sevel Argentina with 665, Renault Argentina with 563, Volkswagen Argentina with 331, Mercedes Benz Argentina with 297 and Saab Scania Argentina with 15.

Again according to the ADEFA report, total sales last February were down 54.6 percent from January and 11.4 percent under the February 1984 level. February 1985 sales were also 34.5 percent below the month's average in recent years.

Sales during January and February of 1985 were down 8.4 percent from the same months in 1984.

Sales on the domestic market were down 54.2 percent from January to February and 11.4 percent lower than in February 1984. They were 31.9 percent below the February average for the past 10 years.

Auto exports fell 96.9 percent from January to February and were down 50 percent from February of last year. February 1985 car exports were down 99 percent from that month's average over the past 10 years, the ADEFA report concludes.



Key:

1. Automotive industry production and sales in February
2. Thousands of units
3. Sales
4. Production

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ARGENTINA

SATELLITE PROJECT DEVELOPMENT

Buenos Aires AEROESPACIO in English Mar-Apr 85 p 9

[Text]

GOOD NEWS FOR THE CNIE

*The project on a Scientific Application Satellite (SAS-I), made in Argentina has just been granted the official "green light" to start its development. Both, the Ministry of Defense and the Ministry of Education and Justice, through a joint resolution, have declared this ambitious program of national interest. In the considerations of that document it is specified that the committees in charge of directing the work will be presided over by the chairman of the Comisión Nacional de Investigaciones Espaciales (CNIE), and will count with the support of a representative from the Secretaría de Producción para la Defensa (Defence Ministry), the Secretaría de Ciencias y Técnicas (Ministry of Education and Justice), the Instituto de Investigaciones Aeronáuticas y Espaciales (Area de Material Córdoba), and from the Instituto de Astronomía y Física del Espacio (CONICET and UBA).*

*The SAS-I program includes the design and development of a space platform, of limited dimensions and purposes, since its main objective is to train our scientists and technicians to undertake the design and construction of utilitarian satellites with the maximum participation of local industry. Up to the present, the CNIE and the Instituto de Astronomía have been actively working in the project's conceptual design (Phase A). Then, from the resolution of reference on, they will be ready to start working on the system's definition (Phase B), AEROESPACIO will offer a thorough coverage on this project in the coming May-June edition.*

ARGENTINA

BRIEFS

SOLARI IRIGOYEN ON LEFT--Bahia Blanca--Dr Hipolito Irigoyen said in this city that "the time has come for the old Right to get up to date and to realize that leftwing is no longer a bad word in Argentina." He emphasized that if the two sides abide by the constitution, "each is as respectable as the other." The roving ambassador spoke at the National University of the South and, in discussing the nation's economic situation, asserted that "we are going to pay back our foreign debt because as a democratic country we recognize the international legal principle of the continuity of States." Nevertheless, he qualified his remark by noting that if the international banks were rash enough to make the government choose between paying up and subjecting the Argentine people to hunger and poverty, then the only possible response would be not to pay. Outlining the geopolitical picture in the region that includes Argentina, the ambassador indicated that "we are a country of the periphery, and our ability to influence the major decisions of the central nations is limited," adding, however, that "this does not mean that we should stop trying to gain a larger role for ourselves." "We must join together," he stressed, "with our sister nations in Latin America so that we do not remain outside the mainstream and so that we do not continue to be the victims of high dollar exchange rates and see consumer markets closed to our commodities." [Text] [Buenos Aires LA NACION in Spanish 24 Mar 85 p 7] 8743

CSO: 3348/534

8 May 1985

## BRAZIL

## TUCANO SALES NEGOTIATED WITH PRC, INDIA, JAPAN, CANADA

## RAF Sale, Other Negotiations

Sao Paulo GAZETA MERCANTIL in Portuguese 22 Mar 85 p 10

[Article by S. Stefani]

[Text] Sao Paulo---The atmosphere at EMBRAER [Brazilian Aeronautics Company] yesterday was euphoric. Not just because of the actual victory in the bidding to supply the military training planes that will be used by the RAF (Royal Air Force) of Great Britain, but also because of the possibility of closing new deals all over the world as a result of that contract.

"Winning a contract from the RAF represents in fact a testimonial to quality that is recognized by all countries," says Guido Pessotti, technical manager at EMBRAER. "This should be quite a help to us in moving ahead with various Tucano negotiations in which we are currently engaged."

Pessotti drew attention to four such negotiations--two of them because they involve developed countries (Canada and Japan), and the other two because of the volume of orders they may represent, which is "much larger than the order now being issued by the RAF or those received last year from Egypt, China, and India."

EMBRAER's technical manager did not provide any details concerning the quantities being negotiated. But he said that, especially in the case of China and India, "the potential is huge--very big indeed."

EMBRAER is trying to close two different deals. Pessotti says that in the case of China, which is less developed industrially, it is most probable that the deal, if one is actually concluded, will follow a pattern similar to that of the deal concluded by EMBRAER with Egypt: the training of manpower (including pilots), the supplying of production technology to a local group, and the delivery of aircraft kits for assembly in China.

In India's case, the negotiations are expected to lead to a solution more similar to that adopted in Great Britain's case. In other words, there will be joint production with a local group, with no kits being supplied by EMBRAER.

Pessotti is not sparing in his use of adjectives to describe the importance to EMBRAER of winning the RAF contract. "EMBRAER is moving up a notch on the ladder of world recognition," he says. "It is almost becoming a new company, rejuvenated and strengthened."

He says he is convinced that this development will have a strong impact not only on future Tucano sales but also on the marketing of other aircraft manufactured by EMBRAER, especially the Brasilia and above all the AMX, the military jet which is being developed jointly with Aermacchi and AERITALIA of Italy. The first Brazilian prototype of the AMX is now being assembled and is to make its inaugural flight in July or August.

In the opinion of the company's technical manager, the fact that EMBRAER and Shorts Brothers were awarded the RAF contract also greatly facilitates progress with the other, parallel agreements for aircraft development and production that are currently being negotiated by the two firms (see the separate article on this page [not included]).

Pessotti says that those agreements include the joint development of a larger aircraft to provide services of the type now being provided, for example, by the Electra, which is used on the shuttle line between Rio de Janeiro and Sao Paulo. This will be a new generation of aircraft, with two engines and a passenger capacity of 80 (if EMBRAER's plan wins out) or 110 (if the Shorts firm's opinion prevails).

Development cost is estimated at \$500 million. And if all goes well, it may be flying around the end of this decade or the start of the next. EMBRAER's technical manager says: "It is an aircraft for the 1990's."

#### British May Buy Kits

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 85 p 7

[Article by Roberto Godoy]

[Text] The 130 Tucano aircraft that EMBRAER will deliver to Great Britain's Royal Air Force beginning in 1986 for reequipping the latter's training squadron may be merely assembled, rather than completely manufactured, on the Shorts Brothers production lines in Belfast. The 35-percent reduction in the final price that was won by the British--a reduction that decisively affected the outcome of the international bidding in favor of the Brazilian firm--will make it more attractive to purchase prefabricated kits. Under the terms of the bidding, as much as 50 percent of the aircraft components may be acquired outside Great Britain.

That possibility will be discussed at EMBRAER headquarters in Sao Jose dos Campos within the next few days with the British partners, who will be in Brazil then for the first working meeting following the announcement of the choice in London last Thursday. At the same meeting, the partners will decide on other parameters, including those related to an addition to the original contract that would bring the total order to 160 aircraft.

Also remaining to be cleared up is the unit value of the Tucano turboprop that the RAF is going to operate. Addressing the British Parliament, the secretary of state for defense, Michael Heseltine, announced that the 130 aircraft would be purchased for \$70 million. In EMBRAER'S view, however, that is actually the total difference obtained by the London government after the reduction in the final price, which fell from \$1.2 million to \$1.05 million, with retention of the characteristics of the more powerful engine and the electronic equipment specified by the RAF. In that case, the complete order will cost the British Government \$136.5 million (about 737 billion cruzeiros).

"Even so, it is a good deal that Prime Minister Margaret Thatcher can chalk up in her favor," was the analysis in Sao Paulo yesterday by a European military attache stationed in Brasilia. "All one has to do is compare the cost of the Tornado tactical fighter, which comes to about \$40 million," he said, "to see that investments in the equipment used to train the man who will pilot that aircraft are justifiable only if they involved advanced equipment. And at the moment, the Brazilian Tucano is the best plane in the world in its category."

Yesterday was a day of celebration at EMBRAER. News of the victory had reached the firm the day before while production work was in full progress, so it was not until they returned to the assembly lines yesterday that workers and technicians learned the news.

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BRAZIL

## CONGRESS TO VOTE ON SEVEN ELECTORAL LAW CHANGES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 85 p 7

[Text] Brasilia--The government's political council yesterday established the seven points on which there is consensus between the blocs in the Democratic Alliance for a revision of electoral legislation. The National Congress will begin voting on that reform next week. The changes are: a guarantee that parties in the process of formation will be able to participate in the next elections; freedom to organize and operate associations; permission for the formation of coalitions in major election campaigns; the election of mayors of state capitals in November; elimination of the party loyalty requirement; elimination of the factional list (and, consequently, of the favorite-son candidate); and elimination of the prohibition against voting across party lines.

The council consists of Minister of Justice Fernando Lyra, the PMDB [Brazilian Democratic Movement Party] leaders in the Chamber of Deputies, the Senate, and Congress (Pimenta da Veiga, Humberto Lucena, and Fernando Henrique Cardoso), and the PFL [Liberal Front Party] leaders in the two houses (Jose Lourenco and Carlos Chiarelli). On Tuesday, it will also examine the Falcao Law, repeal of which is advocated by most congressmen. For the time being, there is no consensus on disciplinary rules for governing election propaganda.

"For the first time in 20 years, we will have elections without trickery," commented Minister Fernando Lyra with feeling. He admitted that some reforms would be held up pending President Tancredo Neves' recovery, one example being the appointment of temporary mayors in municipalities located in national security areas and mineral-producing zones to serve until the election is held. But anything on which there is agreement and which does not depend on the president of the republic will be decided by Congress as quickly as possible.

Fernando Henrique Cardoso was also optimistic about the results of the meeting. "We have seen once again that in the Democratic Alliance we have a common viewpoint as far as election reform is concerned," he commented, and he predicted that the points on which there is consensus would be settled tomorrow afternoon during a meeting by the interparty committee in Congress.

### Committee Approves Voting by Illiterates

Illiterates will be allowed to vote and, consequently, to help elect the members of the constituent assembly in 1986. That was the only proposal to receive

informal approval by the interparty committee that will recommend reforms in electoral and party legislation in preparation for the constituent assembly. The committee met yesterday to discuss only constitutional matters.

The 21 senators and deputies making up the committee did not vote on the matters before them, but there was general support for the idea of allowing anyone over 18 years of age to run for the Chamber of Deputies. The minimum age is currently 21. This was recommended by assistant reporter Jutahy Magalhaes (PDS [Social Democratic Party], Bahia), who expressed opposition to lowering the minimum voting age to 16.

The committee decided simply to hear the reports presented and to vote on them formally at another time. As a result, there was no discussion of such a controversial issue as whether proportional representation in the Chamber of Deputies should be based on population or on the number of voters.

The assistant reporter for this topic, Alberto Goldman (PMDB, Sao Paulo), argued realistically that the ideal would be proportional representation based on the number of voters, but that rigid adherence to that principle would decrease the size of most of the blocs in Congress, cause inevitable clashes on the committee, and make it difficult to get the proposal approved. As a way out, he suggested setting the membership of the Chamber of Deputies at 528 and retaining the minimum size of the current blocs (which are in conflict with proportionality, since they favor the Northeast and the territories). In addition, he recommended eight deputies for Brasilia and an increase in the number of deputies from Sao Paulo (from 55 to 99) and Rio de Janeiro (from 46 to 48).

Another constitutional topic was presented by Deputy Norton Macedo (PFL, Parana) in connection with the organization and functioning of political parties. He presented a draft amendment removing a number of matters from the jurisdiction of the electoral courts and suggested that those matters be regulated by federal law.

Although he recommended that the citizens be allowed to join together freely in political parties--meaning, in effect, the possibility of recognizing the illegal parties--the assistant reporter set a 5-percent minimum on the number of representatives in the Chamber of Deputies and the Senate, with the requirement that in order to survive after participating in two election campaigns, a party must be supported by a minimum of 3 percent of those voting in the elections for the Chamber of Deputies.

His proposal provoked debate, with some committee members arguing that the current small parties could not survive in the face of such constitutional requirements. Norton Macedo said he would merely bring the idea up for debate, but emphasized that he did not see how it would be possible not to establish percentages of support for the existence of a political party. The committee will meet again tomorrow to continue its examination of constitutional matters.

BRAZIL

ANALYSTS FORESEE BROADER EMFA ROLE IN NEW REPUBLIC

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 85 p 9

[Article by Helio Contreiras]

[Text] One of the chief changes that will occur in the country under the "new republic" will be the reformulation of political indoctrination in the military area: rather than being geared to revolutionary warfare, as before, it will be based mainly on redemocratization and professionalization.

According to military analysts who have come up with forecasts concerning the role of the Armed Forces in the new government, the ideological indoctrination of military men will no longer be based on a Manichaeistic view of democracy.

Over the past 20 years, ideological indoctrination in the Armed Forces has been based on opposition to Marxism-Leninism. And for many years, even--although with less intensity--under the Figueiredo administration, some military messages were geared ideologically to the fight against communism in an approach that was exploited in classes, speeches, lectures, courses, study programs, and orders of the day.

Political Presence

This reformulation is not going to eliminate the political presence of the Armed Forces, although the latter will not manifest itself in terms of political parties. Instead, there is to be a closer relationship between the Armed Forces and the National Congress.

In the opinion of military analysts, the very personality of the new ministers--Leonidas Pires Goncalves (army), Henrique Saboya (navy), Octavio Moreira Lima (air force), and Ivan Souza Mendes (National Intelligence Service)--will influence the political importance of the military institutions.

They are all military leaders with strong personalities, as is Adm Jose Maria do Amaral Oliveira, the new minister-chief of the Armed Forces General Staff (EMFA).

It is anticipated in the military area that under the Tancredo Neves administration, the EMFA will participate more actively in coordinating matters of

interest to the three armed services and even in drawing up the military budget.

The political importance of the Armed Forces--especially of the army, as has been a tradition in Brazilian republican life--is to continue in the new republic, although without the militaristic deviations that occurred in the early period of the 1964 Revolution and on some other occasions. There will be no repetition in Brazil of the phenomenon that occurred in Argentina, Peru, and Chile, one reason being the profound differences in training between the military in those countries and the military in Brazil.

Some legal instruments which still lack institutional legitimacy because of their nonacceptance by public opinion--the state of emergency being one--provided openings for manifestations of a militaristic nature in Brazil.

Under the new administration, the political weight of the Armed Forces, and especially the army, will also be important to ensure support for the country's full redemocratization. It will also be a component of the new democratic doctrine that the military ministers will implement through leadership that is already planned for the barracks.

In the politicomilitary framework of the new republic, the military ministers will be able to demonstrate their leadership, naturally without trampling on the political power, but they will have to restrict it more to their internal public. For that purpose, they will need not only the strong personalities they have, but also political sensitivity.

According to the same analysts, the so-called "radical pockets" have been eroded and weakened. This does not rule out the possibility of isolated actions, but this time they are not likely to be treated kindly in the military area. With its more moderate style, the new indoctrination will help ensure that those groups do not receive any kind of protection.

The military ministers in the Tancredo Neves administration are officers who have never permitted any breaks in the chain of command--which have already caused so many problems in the country. Nor will they tolerate any defection in the hierarchy, especially since the first military leader who allows such a deviation will have considerably weakened his ability to command.

#### New Word of Command: Professionalization

Since the Armed Forces are removing themselves from the political decisionmaking process, the new republic will contribute to the strengthening of a Brazilian concept of military doctrine that will favor an even greater degree of professionalization.

The revolution of 31 March 1964 coincided with the maturing of private industrial capability. As a result, the Armed Forces experienced a gradual process of modernization during the 1970's that brought them out of a phase of dependence in matters of doctrine (based on the U.S. model) and equipment, which was generally already obsolete when they received it.

The domestic production of equipment made it possible to update doctrine by adapting it to that new equipment. And the new combination eventually resulted in cancellation of the military agreement that had been signed with the United States in 1952--a political act by President Geisel in February 1977 whose motivation was also industrial. Several private firms in Brazil were already producing a great deal of the equipment needed by the army.

Domestically produced equipment also forced a "nationalization" of doctrine itself by requiring that the military spend more time on specific problems and, naturally, that the officers show more professional awareness. Paradoxically, that phenomenon began to appear at the very time when the military were interfering in politics.

Under the Geisel administration, the strong personality of the president of the republic stimulated political authoritarianism while at the same time, in the military area, it provided the authority needed to discourage--in a long and painful process--the involvement by second-echelon and other military men in party politics. This was true especially after 1976.

It was the degree of authority imposed by Geisel that made possible the dismissal of Gen Ednardo D'Avila Mello from his command of the Second Army after the death of worker Manoel Fiel Filho in that military organization's facilities, the dismissal of Gen Sylvio Frota from the Ministry of Army after several disagreements between the minister and the president, and other attitudes by the president and supreme commander of the Armed Forces.

#### Public Sector

The phenomenon of the public sector's militarization--that is, the presence of a large number of reserve officers in civilian sectors that include not only ministries but also state-owned firms--is to be reduced substantially as soon as the new republic begins.

There is awareness in the military area today that there will be no support by the military institutions--either through the transfer of prestige, trafficking in influence, or even recommendations--for allowing reserve officers, who are not technicians but fighters, to occupy high positions in the civil service or even at the third echelon.

Naturally, there are general officers, including four-star generals--that is, men at the last stage of their military careers--in state-owned enterprises and, in particular, in the Ministries of Communications (where the participation of military engineers accelerated that sector's development), Education and Culture, Welfare and Social Security (Minister Jarbas Passarinho was already a successful politician when he took over that post), Agriculture, and Industry and Commerce.

There are very few reserve officers in the Ministries of Foreign Affairs and Justice, and their presence does not carry great weight in the makeup of those teams. The same is not true, however, at PETROBRAS, ELETROBRAS [Brazilian Electric Power Companies, Inc.], NUCLEBRAS, SIDERBRAS [Brazilian Iron and Steel,

Inc.], TELEBRAS [Brazilian Telecommunications, Inc.] (where the military are mostly from the technical area and will be kept on at first), the Vale do Rio Doce Company, and the even the National Housing Bank (BNH).

The possible presence of military men in a few civil service sectors has always been a normal thing, but more marked participation in that area by reserve officers from the fighting branch came about for two chief reasons: the prestige they gained from the promotion of their comrades to the highest positions in the republic and the problem of low pay, which persisted until the time of the Geisel administration. Beginning with the Figueiredo administration, pay for the military began to be more consistent even with their family responsibilities, although pensions for reserve personnel are still less than the pay received by the active military.

During some phases of the current regime, the fact that a military man's pay dropped by over 50 percent when left the active roster was a factor in his seeking a new job in federal and state organizations even before entering the reserve.

In turn, that considerable drop in pay as a result of entering the reserve threatened to bring a substantial drop in a military man's standard of living, often with negative repercussions among his own family members.

The problem of the presence of reserve military in various positions in state-owned firms (according to military sources, PETROBRAS has over 200 reserve officers on its staff) may be the subject of legislation under the new administration. That legislation would require that a military man choose either the pay from his new job or his pension as a reserve officer. The same rule may be adopted for retired civil servants, especially those who retired to accept positions as heads of firms or to take other high-paying jobs, thus adding their compensation from those positions to their pensions.

But the necessity of making that choice will not apply to a retired civilian or military official who acts as a high-level adviser without actually being on the staff of a government agency or state-owned firm. The reason for the measure is the need to reduce government spending and increase the supply of jobs.

11798

CSO: 3342/141

BRAZIL

#### CHANGES IN SNI ROLE UNDER MENDES DISCUSSED

Brasilia CORREIO BRAZILIENSE in Portuguese 24 Mar 85 p 5

[Text] The replacement of military men in positions of trust at the first echelon on the staff of the new chief of the National Intelligence Service (SNI), the dismissal of Gen Roberto Pacifico Barbosa, chief of the Rio de Janeiro Agency, and of Gen Ary Rodolfo Carracho Horne, deputy chief of the Central Agency in Brasilia, and the consequent transformation of those posts into positions to be held exclusively by colonels who have completed the staff course were the first steps taken by Gen Ivan de Souza Mendes immediately upon taking over the SNI last 15 March.

The SNI was established under the Castello Branco administration to serve the revolutionary governments. It will now be adapted to the requirements of the new intelligence system, which is already being formulated by government authorities of the new republic. But advisers to President-elect Tancredo Neves say that the National Intelligence Plan as approved by former President Joao Figueiredo's administration will be utilized in part, since it introduces advanced intelligence technologies that have now been adopted by the world's most modern intelligence systems and also adds a wide range of experience resulting from 20 years of activity in all areas of service to the government, the civilian sector, and society.

Gen Ivan de Souza Mendes guarantees that under his management, the SNI will not involve itself in party political episodes and that as an intelligence agency, its role will be to keep the president informed on all aspects of national life and prevent him from being caught unprepared by such foreseeable episodes as those involving CAPEMI, Coroa-BRASTEL, SUNAMAM [National Superintendency of the Merchant Marine], SULBRASILEIRO, the INPS [National Social Security Institute], and others.

The SNI--which during the 20 years of military rule acted as a police organization and frequently served the secret purposes of unscrupulous politicians--currently maintains a solid intelligence structure supported by a network of so-called subsystems based for the most part in the Security and Intelligence Directorates (DSI's), which exist in all the civilian ministries and their related enterprises under the direction of reserve military officers appointed by the SNI chief himself.

Its staff of agents, many of whom have taken intelligence courses in the United States, will not be changed, but its so-called contacts (civilians and military personnel who have infiltrated government bureaus and large private firms, labor unions, universities, political parties, and religious sects) were reduced in number at the start of General Ferreira Braga's term at the head of the Central Agency. Street operations, the most unfortunate example of which was the episode in Riocentro, will not be repeated under the current SNI administration, according to highly placed sources in that organization.

The SNI appears to be a civilian organization, but with the exception of the political section itself, its structure is military. Being linked directly to the president of the republic, it has authority to interfere with the prerogatives of ministers of state and, chiefly, the operation of security organizations linked to the Ministry of Justice--the Federal and Civil Police--being in discreet command of the latter's activities and directing their actions in accordance with the interests of Planalto Palace.

Mainly under the Figueiredo administration, the SNI took over various duties that had previously been the responsibility of the Federal Police and the DOPS [Department of Political and Social Order]. The exploitation of minerals (chiefly gold ores) in the state of Para, which has the country's largest concentration of gold deposits, was under the SNI's complete control from the first discovery in the Pelada Mountains until mid-1982. That operation was headed by Maj Sebastiao Rodrigues de Moura--the famous Major "Curio" ["Finch"]--who is now a federal deputy for the state of Para.

#### Clashes

During the time that Gen Sylvio Frota was minister of army, and more specifically toward the end of his "reign," the Army Intelligence Service (which, be it said in passing, is considered the best equipped of all such organizations in the country) was mobilized for direct operations in the SNI's field of jurisdiction, the purpose being to gather information of interest to Minister Frota. That encroachment on the prerogatives of Planalto Palace's intelligence agency was eminently political in nature and was due to the agitated relations between Geisel and the then minister of army. The minister of army's purpose was to demonstrate to the president the corruption existing in government bureaus and communist infiltration of the government.

11798

CSO: 3342/142



BRAZIL

## CONSEQUENCES OF INACTION OF ACTING GOVERNMENT FEARED

Brasilia CORREIO BRAZILIENSE in Portuguese 2 Apr 85 p 5

[Text] The new republic is finally dropping its provisional status and fully assuming its duties. Following a succession of meetings, the leaders of the Democratic Alliance (the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party]) are submitting recommendations to acting President Jose Sarney today concerning the criteria for filling positions in the second and third echelons. By the end of the week--when Sarney expects to talk to President Tancredo Neves--a decision is to be reached on the appointment of a new governor for Brasilia. But this is the only instance in which Sarney expects to wait for a word from the president. In all other cases, the intention is to assume full command of the country.

The excessive hesitation of the interim government--which has been practically paralyzed by the illness of President Tancredo Neves--was sharply criticized yesterday by leaders of the alliance. They say that this brief period has caused a buildup of all kinds of harm for the country. And that with no one effectively in control, the country is in danger of passively witnessing the launching of protest movements and strikes of all kinds. In that connection, yesterday's strike by bus drivers in Brasilia made a deep impression on the government. The city, empty and unpoliced, was left to its own devices. And it was doubly leaderless--without a governor and without a real president.

The biggest fear--besides the damage of an economic nature--is that the same situation will spread to more congested urban centers. One minister of state told CORREIO BRAZILIENSE yesterday: "The government is so fragile that a strike in the ABC [the industrial sections of Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul] might simply demolish it." That fear is not unfounded: the minister of education, Marco Maciel, was faced yesterday with the uncomfortable threat of a general strike by teachers. With the administrative machinery paralyzed--most administrative posts are being filled in a purely figurative sense by officials from the old republic--it is almost impossible for the minister to face up to the problem with any chance of success.

### Administration

But that is not all. Administratively, the government's paralysis involves a great deal of money. An example: this year's budgets and priorities for state

enterprises as large as ELETROBRAS [Brazilian Electric Power Companies, Inc.], NUCLEBRAS, and PETROBRAS, among others, have not yet been established, nor have the rules for the mineral policy been set. Confronted by the illness of Tancredo Neves, Minister of Mines and Energy Aureliano Chaves has not yet appointed two important collaborators: the chairman of the National Petroleum Council (CNP) and the director general of the National Department of Mineral Production (DNPM).

Other problems are even more serious. ELETROBRAS has learned from Joao Sayad, minister-chief of the Planning Secretariat of the Presidency, that there will be cuts in its budget as approved by SEST [Special Secretariat for the Control of State-Owned Firms]--6.9 trillion cruzeiros--but its chairman from the old republic, General Costa Cavalcanti, warns of the possibility of rationing in 4 years--because construction work would be halted--if the firm's budget is less than 13 trillion cruzeiros. At NUCLEBRAS--a firm much derided by the new republic--there is talk not only of cutbacks but even of cancellation of the nuclear program.

#### Interior

Unlike most of his colleagues, Minister of Interior Ronaldo Costa Couto was unable to ride out the administrative paralysis. The floods that inundated the Northeast forced him to move ahead quickly with appointments that he had expected to let wait until the return of President Tancredo Neves. But even so, SUDENE [Superintendency for Development of the Northeast] will have an interim superintendent: Jorge Nova da Costa. There is a reason for his temporary status: the leaders of the Democratic Alliance could not reach consensus on the appointment of a permanent superintendent. Since floods do not wait for consensus, an acting superintendent was named.

Other appointments in the Ministry of Interior: SUDESUL [Superintendency of the Southern Region]: former Senator Evilasio Vieira of Santa Catarina, a former leader of the PP [Popular Party] in the Senate and a personal friend of Tancredo Neves; SUDECO [Superintendency for Development of the Center-West Region]: former Senator Mendes Canale of Mato Grosso do Sul, founder of the PP and also a friend of Tancredo; and chairman of the Bank of Amazonia: Delile Guerra de Macedo, appointed by Governor Gilberto Mestrinho and passed over when the minister for land-related issues was being appointed.

#### SEPLAN

At SEPLAN [Secretariat of Planning], things have still not passed from the stage of intentions to that of action. High interest rates are a matter of concern to the private sector and Minister Joao Sayad. But reducing them depends on changes in the monetary and tax policies. And those changes are still "in the study stage." As far as the foreign debt is concerned, there has been no decision as to which approach will be adopted.

That is not all. The program for combating hunger and unemployment--two of the priorities in the new republic--has been promised an allocation of 15 trillion cruzeiros by the minister. And it is part of Tancredo's 100-day plan.

Sixteen days have already passed, and nothing has been heard of it. What is more, of the three commissions announced in Tancredo's first message to the cabinet, only one is functioning, and even it is operating in debatable conditions. It is the Commission for the Evaluation of Decentralized Agencies.

The other two--the Commission for Evaluating the Salaries of Personnel of State-Owned Firms Stationed Abroad and the Commission for the Evaluation of Tax Incentives--are supposed to make their debut today. Are supposed to.

#### Industry and Commerce

In Minister Roberto Gusmao's area, the picture is the same. The directors of SIDERBRAS [Brazilian Iron and Steel, Inc.] and the chairmen of the firms it controls are not due to be announced until the 9th, 15th, and 30th, when the firms in question will hold their general meetings. Those appointments are being eagerly awaited, especially by international creditors. The reason: without them, according to SIDERBRAS chairman Amaro Lanari, Jr., it is impossible to begin the process of renegotiating the external debt (\$10 billion), which is management's number one priority.

#### Archer and Magalhaes

The Ministries of Communications and of Science and Technology also intend to actually begin work this week. Together with Ministers Joao Sayad and Francisco Dornelles, Minister of Communications Antonio Carlos Magalhaes will try to reduce the increase in telephone rates that was to have gone into effect yesterday. The increase was supposed to have amounted to 39 percent, but Magalhaes expects to bring it down to 30 percent.

The big problem for Renato Archer, minister of science and technology, continues to be the transfer to his ministry of the STI (Secretariat for Industrial Technology) and the National Commission for Nuclear Energy. Even with support from Ulysses Guimaraes, he has not yet accomplished anything in that direction.

11798

CSO: 3342/142

BRAZIL

DORNELLES SAYS ECONOMIC POLICY YIELDING RESULTS

PY190140 Brasilia Domestic Service in Portuguese 2200 GMT 18 Apr 85

[Text] Finance Minister Francisco Cornelles today told reporters that the government's economic policy has yielded positive results in the first 30 days of the new republic. Among such positive results are the control of the expansion of the monetary base, the public deficit balance achieved in March, and the earmarking of more funds for the agricultural and export sectors, he said. The minister also explained how the government expects to eliminate this year's public deficit, which is estimated at approximately 50 trillion Cruzeiros.

[Begin Dornelles recording] We will tackle the problem in the 90-day period established by the president of the republic. We will make a great effort. The Finance Ministry would prefer to eliminate the deficit through the reduction or postponement of public spending. [end recording]

Dornelles dismissed as groundless the reports that he opposes the emergency plan announced by the government.

[Begin Dornelles recording] The Finance Ministry is in charge of obtaining and managing funds. The Finance Ministry should report the availability of funds so that they may be earmarked by the Planning Secretariat in keeping with the guidelines issued by the president of the republic. On the contrary, I believe the state should once again play the role of a state. It should no longer play the role of an entrepreneur, it should leave entrepreneurial activities to the private sector, and it should apply its resources to functions and activities that are proper for a state, such as education, health, and agriculture. I have not opposed any social plan. [end recording]

The minister added that the April inflation rate is expected to be lower than 8 percent, because of the measures taken by the government and the private sector's support.

CSO: 3342/152

BRAZIL

BRIEFS

TANTALUM DEPOSIT--The Paranapanema Company has discovered a tantalum deposit that could turn out to be Brazil's largest reserve of tantalite and columbite. The deposit also has niobium, tin, and zirconia and is located in Amazonas state. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Feb 85 p 1 PY]

LARGE OIL FIELD DISCOVERED--Petrobras has announced the discovery of oil in a 150-sq-meter geological structure in the Campos Basin. This area could turn out to be Brazil's first giant oil field, with reserves of approximately 500 billion barrels. [Summary] [Porto Alegre Radio Gauiba in Portuguese 0200 GMT 16 Mar 85 PY]

NEW PETROLEUM COUNCIL PRESIDENT--Brasilia--General Roberto Franca Lima, retired, is the new president of the National Petroleum Council (CNP). [Excerpt] [Rio de Janeiro O GLOBO in Portuguese 10 Apr 85 p 7 PY]

NEW ELETROBRAS PRESIDENT--Brasilia--In a brief ceremony yesterday, Mines and Energy Minister Aureliano Chaves administered the oath of office to Mario Bhering as the new president of the Brazilian Electric Power Companies, Inc., ELETROBRAS. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 85 p 32 PY]

NEW INCRA PRESIDENT--Brasilia--Jose Gomes da Silva was yesterday installed as the new president of the National Land Reform and Settlement Institute, INCRA. [Summary] [Rio de Janeiro O GLOBO in Portuguese 12 Apr 85 p 7 PY]

GOLD RESERVES INCREASE--Sao Paulo, 13 Apr (EFE)--The Central Bank has reported that the Brazilian gold reserves total 80 tons, the highest level in the past 20 years. Of this amount, 49.6 tons are deposited outside the country. [Excerpt] [Madrid EFE in Spanish 1406 GMT 13 Apr 85 PY]

NEW ARMY DIVISION COMMANDER--II Corps Commander General Sebastiao Ramos de Castro yesterday installed General Luiz da Silva Vasconcellos as the commander of the 2d Army Division, replacing General Fernando Valente Pamplona, who has been appointed deputy chief of the Army Staff. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Apr 85 p 4 PY]

PLANNING MINISTER ON 1985 DEFICIT--Planning Minister Joao Sayad estimates that Brazil's public deficit in 1985 could amount to 53 billion cruzeiros. [Summary] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 18 Apr 85 PY]

MONETARY EXPANSION RISE--Monetary expansion of 270 percent during the 12 months through February 1985--the steepest rise in the country's history--was one of the legacies bequeathed by the previous administration. That percentage of increase was announced yesterday by Roberto Castello Branco, director of the capital market for the Central Bank, who considered it extremely "dangerous." He recalled the case of Argentina, where the expansion in the monetary base had totaled exactly 270 percent in September 1983, leading to inflation of 690 percent the following year. Castello Branco added that in the negotiations to be conducted from now on (they will actually resume tomorrow with the Central Bank chairman's "courtesy" visit to experts at the IMF and the Committee of Creditor Banks), any pressure to accept an unrealistic rate of expansion in the monetary base will be rejected--unlike the situation last year, when growth of 50 percent was accepted, but the actual increase between January and December totaled 247 percent. He added that he saw no problem in getting creditors to accept more realistic goals in the renegotiation of the debt, since the international banks themselves are reportedly already convinced of the impossibility of fulfillment. [Text] [Rio de Janeiro O GLOBO in Portuguese 30 Mar 85 p 15] 11798

FIBER OPTICS RESERVE MARKET--Sao Paulo--The Ministry of Communications is preparing a document with guidelines for the fiber optics area that calls for reserving a significant portion of the market for domestic producers of cables for those fibers. That announcement was made yesterday by Romulo Vilar Furtado, the ministry's secretary general, during a meeting between businessmen from the telecommunications industry and Minister Antonio Carlos Magalhaes. Vilar Furtado said that pending a new evaluation of the market, the manufacture of optical fibers would be the sole responsibility of the ABC XTAL, a 100-percent Brazilian firm that is already manufacturing the product. He added that when required by the market, a new firm might be established, but that its capital would have to be Brazilian. On the subject of cables for optical fibers, the ministry's secretary general made it clear that the objective is to make it possible for all firms--domestic and foreign--to participate in this market, but he pointed out that "a significant portion of the market will be reserved for genuinely Brazilian firms." [Text] [Rio de Janeiro O GLOBO in Portuguese 30 Mar 85 p 21] 11798

CSO: 3342/142

COSTA RICA

# RODRIGO URENA GROUP BLAMED FOR CUT DISUNITY

San Jose LIBERTAD in Spanish 8-14 Mar 85 p 4

[Text] "The trade union movement bears the enormous responsibility of combining the fight for peace and sovereignty with the demands of the workers in a society burdened by the worst economic and social crisis in history. The prospects of the people's trade union movement are now more promising than they were before. Living conditions have worsened for the vast majorities, implying propitious conditions for forging the unity of the people's trade union movement." With these words, the report which the national leadership of the CUT [United Confederation of Workers] will present to the Third Congress of that organization, to be held in San Jose on 15, 16 and 17 March, comes to its conclusion.

## Self-Critical Reflection

The report, which is studied and discussed in unions and federations affiliated with the CUT, represents, according to labor leaders, a self-critical effort for the purpose of correctly identifying the problems facing the CUT in recent years, both internal and those directly related to its ability to lead the workers' fights.

"The CUT emerged as a project seeking the broadest possible participation of trade unions in a united process," the report states. "It was in a sense an intermediate step toward the construction of the Single Confederation of Workers in Costa Rica. An indispensable condition for achieving this objective was naturally the growth, strengthening and increase in influence of the CUT among the masses. This sound purpose was not attained."

It was not attained, the national leadership adds, because of sectarian, hegemonical and bureaucratic mistakes that penetrated the organs of leadership of the confederation, basically among those leaders precisely in charge of guiding the CUT away from internal crisis and division. That sector, led by Rodrigo Urena, committed extremely grave violations of trade union democracy, causing a split between the organs of leadership and the trade union rank and file. Nevertheless, the national leadership of the CUT notes that responsibility for the errors is collective, for such antitrade union deviations would not have occurred if there were a more vigilant and energetic attitude on the part of the entire leadership.

The report notes that a self-critical examination of the problems of the CUT will serve to regain and build a trade union confederation with a greater capacity for struggle and unity, one that respects trade union democracy, one that is independent and firmly attached to the class interests of the working masses.

#### For Trade Union Unity

The national leadership of the CUT uses the report to make a valuable criticism of the attempts at unity carried out in the past 2 years by the different factions forming the national trade union movement. It points out, as a highly positive fact, the constitution in 1983 of the National Council of Confederations, the most ambitious plan of unity after long years of division between the country's main confederations.

However, the report notes, the plan of unity did not prosper because of bureaucratic and willful practices, because of sectarianism and the lack of a real appreciation of the conditions in which the workers' struggle in our country takes place. The subjective errors of the leaders plus the strong offensive by the government and employers thwarted that attempt at unity.

The national leadership of the CUT believes that the conditions still exist for the reconstruction of unity of the various trade union factions and confederations. The leadership believes that there must be a serious and deliberate effort to correct mistakes made and establish a framework of agreement based on the interests of the workers and respect for the identity of each of the forces participating in the process of unity.

#### Defense of Peace, Sovereignty and Well-Being

After presenting a summary of the socioeconomic conditions in the country and the situation in Central America, the national leadership states that the trade union movement has the unavoidable duty of playing its proper role in the fight for peace and sovereignty and in defense of the living and working conditions of the wage-earning masses. The CUT condemns the American intervention in the region, the aggression against the Nicaraguan people and the constant conspiracy against peace, democracy and the sovereignty of the Costa Rican people. The CUT feels it is an indivisible part of the powerful international movement that is trying to save mankind from nuclear disaster, the report reads.

The leadership further states in the report that different capitalist governments that have succumbed to antinational and antipopular pressure of the International Monetary Fund have led the country into a continuous and serious crisis. That crisis is reflected in the increase in poverty affecting 71 percent of the population, the shortage of 200,000 housing units, the uncontrolled rise in unemployment affecting 200,000 persons, the reduction in real wages of over 40 percent compared with 1979, a foreign debt of \$5 billion, and so on. The report adds that while the workers' living conditions have suddenly deteriorated, the rich have grown richer.



The report blames the government for having yielded to pressures from the International Monetary Fund, leading the country to economic and social ruin, destroying the living conditions of the working masses.

It recognizes that despite the fact that different sectors of the population have fought and continue to fight against the effects of the crisis, that response has been insufficient to check the attack of national and foreign capital and the government.

The CUT believes that given the employers and government offensive, which is being waged in all spheres and led by the financial institutions of the United States, unity in action of the trade union movement is urgent, based on a realistic programmatic platform capable of being carried out through the organization and mobilization of the people serving the working masses.

#### Photo Captions

[top] Ronald Campos, organizational secretary, labor leader; Timothy Scott, secretary general of FETRAL [Federation of Limon Workers], labor leader; Isaias Marchena, president of the CUT, labor leader; Jose Picado, deputy secretary general, farm workers leader; Gregorio Bolanos, secretary general of the Puntarenas Labor Federation, port workers leader.

[left] Carlos Luis Chacon, secretary general, railroad workers leader; Alban Bonilla, secretary general of SITUN [Trade Union of National University Workers], university workers leader; Santos Obando, secretary general of SITAGAH [expansion unknown], banana workers leader; Luis Angel Serrano, secretary of finance, labor leader.

[right] Ana Ligia Serrano, secretary general of UNDECA [Social Security Employees Union], health workers leader; Vianney Diaz, secretary general of UTRAL [Union of Limon Agricultural Workers], deputy secretary of the Plantations Federation; Ignacio Dobles, University of Costa Rica workers leader; Hermes Soto, secretary general of FENOEM [National Federation of Municipal Workers and Employees], municipalities workers leader.

11,464

CSO: 3248/326

CUBA

## SOVIET AID IN AUDITING INVESTMENT PROCEDURES

Havana GRANMA in Spanish 13 Feb 85 p 1

[Article by Jose M. Nornielle]

[Text] The National Bank of Cuba has systematically required and audited all technical documents relating to over 9,000 investments made in 3 years (1981-1983) as part of its job of overseeing the investment process, according to Osvaldo Fuentes, first vice president of the bank, speaking to a meeting held on the occasion of the 25th anniversary of economic and trade relations between Cuba and the USSR.

This is one of the many achievements of the bank resulting from the application of procedures and methods of organization and control of the investment process, based on Soviet experience in this sphere of banking activity.

It is through the bank and its credit relations specifically that economic and trade relations have developed between Cuba and the Soviet Union for the past 25 years.

During that period of time, Fuentes said, we have steadily received large and generous amounts of aid from our Soviet brothers in the field of banking activity. Dozens of advisers and experts have worked in the Cuban banking system. They have given many refresher and training courses, lectures and seminars, passing on their experience in the areas of loans, cash flow, wage control, savings and other subjects.

The role of the bank in the economic management and planning system has developed a great deal in recent years. But the greatest energy and work recently has been in bank control of the investment process, based on the advice and experience of Soviet banking institutions.

From 1981 to 1983, the bank was able to exercise a much more effective system of control of investments through inspections of technical personnel (engineers, architects and other specialized fields).

This bank auditing (as it is technically called) made it possible to detect a series of irregularities in the execution of projects that would have artificially boosted their cost by 97 million pesos, permanently affecting the economic efficiency of those projects throughout their amortization.

Such important savings were achieved by auditing investment budgets, which were readjusted in the sum of 49 million pesos, verifying the amount of work actually done at the site, reduced by the bank in the amount of 28 million pesos, and reviewing work certificates presented for collection, which were also reduced by some 20 million pesos. This money was being improperly paid.

Advisers Vladimir S. Stelmaj, from the Central Bank of the USSR (GOSBANK), and Leonid I. Mazurin, of the Construction Bank of the USSR (STROIIBANK), recognized that the Cuban bank is prepared to decide on all problems of the national economy, whence its importance in raising the efficiency of social production.

11,464

CSO: 3248/318

CUBA

COMPLETE VERSION OF CONDOLENCE MESSAGE TO USSR

Havana BOHEMIA in Spanish No 11, 15 Mar 85 p 62

[Text] Comrade Mikhail S. Gorbachev  
Secretary General of the Central Committee of the Communist Party of the  
Soviet Union

Comrade Vasili V. Kuznetsov  
First Vice-President of the Presidium of the Supreme Soviet of the USSR

Dear Comrades:

On behalf of the Central Committee of the Communist Party of Cuba, the Government of Cuba, and the Cuban people, we wish to express our heartfelt grief and our fraternal solidarity on the occasion of the death of Comrade Konstantin Ustinovich Chernenko.

With the death of Comrade Chernenko, the Soviet Union has lost a great man whose long and unswerving service to socialism, in the Soviet Union and throughout the world, won him international respect and admiration.

Devoted from a very early age to the extraordinary task of building socialism in his country, Konstantin Chernenko served in his last years as a leader of the Communist Party of the USSR (PCUS), until, in the final stage of his life, he took on the monumental task of serving as secretary general of the Central Committee.

In his constant dedication to socialism, even in the modest tasks that were initially assigned to him at the top echelons of leadership in Lenin's Party, Chernenko proved to be modest, persistent, and steadfast, demonstrating his devotion to the ideals that he embraced in the flower of his youth: to the socialist fatherland to which he dedicated his entire life, to the lofty international goal of achieving the independence of nations, and to world peace.

Comrade Chernenko carried out the most important functions in the PCUS and the Soviet state during a period that has had a profound impact on mankind. At a time when peace is severely threatened and humanity faces the possibility of its own destruction, the Soviet Union's firm stand, as well as its prudence

and flexibility, have become increasingly necessary. As the ultimate spokesman for the Soviet Party and Government, Chernenko in his statements and positions made a decisive contribution to the effort to contain the aggressors and to respond to the dangerous theory with which the imperialists try to justify their goal of military supremacy. He attempted to find the means to arrive at mutually acceptable solutions, so that the process of international detente could resume and the dangerous confrontation could be eliminated through the necessary negotiations.

During the final period of his life, Konstantin Ustinovich helped promote, within the framework of the socialist society, ideas aimed at understanding the nature and potential of developed socialism. This he did in pronouncements designed to elucidate the paths common to all socialist countries.

In Comrade Chernenko, Cuba had a constant friend who clearly conveyed the solidarity of the PCUS, the government, and the people of the Soviet Union with our socialist island. We will never forget his presence among us at the 2nd Party Congress. His constant concern for fraternal ties between Cuba and the Soviet Union earned him the recognition of the Communists and the people of our country.

In conveying to the PCUS and the Soviet Government our grief at the loss of Comrade Konstantin Ustinovich, we would like to reiterate, dear Comrades, our confidence in the Party and the people of Vladimir Ilich, and our faith in the principles of the firm and active defense of peace, based on our rejection of all attempts to impose the military supremacy of imperialism, and on our effort to make peaceful coexistence a reality.

We also know that the Soviet Union is unwaveringly faithful to the principles of internationalism, and we are convinced that the friendship between our peoples and Parties, the solidarity that binds us, and the Soviet people's devotion to the defense of national sovereignty and the construction of socialism in Cuba, are irreversible.

We beseech you, esteemed Comrades, to convey this testimony of our deepest sympathy to the Communists and the people of the Soviet Union, and to the family of Comrade Chernenko.

Fidel Castro Ruz  
First Secretary of the Communist Party of Cuba and President of the Council of State and of the Government.

8926  
CSO: 3248/323

CUBA

# LAW OF SEA CONFLICT BETWEEN LDC'S, CAPITALIST NATIONS REVIEWED

Havana CUBA SOCIALISTA in Spanish Sep-Nov 84 pp 88-104

[Article by Veronica Loynaz Fernandez, an investigator for the Center for Studies on Western Europe: "Reflections on the Law of the Sea: Fundamental Categories"]

[Excerpts] The proceedings of the 11th session of the Third Conference on the Law of the Sea were concluded in 1982. The treaty was signed by 119 countries despite the pressures of the United States and other industrialized nations like Great Britain, the FRG, Italy and Belgium. These Western powers agree in their disagreement on the way in which exploitation of the depths of the sea has been regulated; behind their position lie concealed the transnational companies, interested in exploiting the big deposits of manganese, cobalt, nickel and copper that have been discovered in various parts of the world. It is clear that the countries mentioned have declared themselves to be against the judgment that this fabulous wealth should be the common patrimony of mankind. As is logical to suppose, the transnational companies have forcefully applied pressure to try to boycott this achievement of the international community which is of great importance for the preservation of world peace and international cooperation on more equitable bases.

Since Ronald Reagan's assumption of power, the United States has maintained a divisive attitude through the promotion of "minitreaties" on the fringe of the established order, an illegal practice that will be absolutely invalid once the treaty goes into effect. To cite merely one example: The United States, the FRG, France and Great Britain signed a treaty governing the exploitation of minerals at the bottom of the sea, although the three European powers took care to leave open the possibility of going back to the treaty by writing into it the following introductory paragraph: "Emphasizing that this agreement does not affect the decisions of the parties in question with regard to the Sea Law Treaty adopted by the Third UN Conference on the Law of the Sea."

Unlike the United States, the United Nations continues to participate on the Preparatory Committee of the International Sea Law Authority: France as a full-fledged member, since it signed the treaty, and the FRG and Great Britain as observers, since they signed only the final memorandum of the conference agreement.

The Reagan administration has on every occasion spoken out against the statements of the sea law conferences.

The American delegate, Thomas Cligan, stated that his country "recognizes that certain aspects of the treaty represent positive gains, but that the policy governing mining of the floor of the sea is unacceptable and does not serve the interests of the international community." Such statements are nothing but a reflection of the incessant imperial ambitions of the United States, which does not respect the will of the international community and speaks in favor of the rapacious exploitation of the international monopolies that have dominated the technology of exploitation -- a technological monopoly that has now been broken by the Soviet Union -- in order to in this way keep them from establishing international control over the mining of these resources.

The position assumed by the 77 Group in making a declaration against the partial interpretation of the sea treaty by some Western industrialized countries, which it is impossible to accept since rights and obligations must go hand in hand, may be evaluated as being relevant and positive.

However, in spite of the pressures and disagreements, we can state that the negotiations culminated satisfactorily after 10 years of hard work by the international community. Over 90 percent of the underdeveloped countries, all of the socialist countries and also many Western industrialized countries -- among them France, Denmark and Canada -- signed the treaty. The signatory states turned themselves de facto into full-fledged members of the Preparatory Committee of the International Sea Law Authority and the International Sea Law Tribunal, which has been described as a new guidepost for international law. Great importance has been assigned to the efforts of the Preparatory Committee, fundamentally as concerns the regulation of maritime mining, the peaceful use of the seas and research on and conservation of the marine environment.

Without a doubt the conference represents a big triumph in the struggle for a new international economic order. Cuban Vice Minister of Foreign Relations Pelegrin Torras has said that the Sea Law Treaty is of great historical significance, being comparable only to the creation of the United Nations, and that it constitutes an incalculable contribution to the preservation of world peace.

In what follows we will analyze the three legal categories that form the object of study in this article: an exclusive economic zone, the high seas and the marine and ocean depths.

#### Exclusive Economic Zone

Most of the legal categories in the Law of the Sea have their origin and basis in the economic necessities of riparian states. An exclusive economic zone is important for the defense, conservation and naturally the exploration and sensible exploitation of the mineral resources and organic wealth of the sea. Many experts emphasize the fabulous wealth that can be found in the different exclusive economic zones and assert that the potential of these marine resources is very close to revolutionizing the economies of the riparian countries.

According to Dr Miguel A. D'Estefano, a Cuban specialist on international law, exclusive economic zones are zones "... of a maritime nature exclusively controlled by nations, zones that comprise all economic resources, including organic and inorganic resources.. they involve a kind of sovereignty viewed independently of the other legitimate uses of the sea by nations, one which for riparian nations includes the exclusive right to explore and exploit these resources as well as exploration for other purposes.

"These zones include those having to do with fishing regulations or fishing zones, based on the fact that fish reserves in the seas are not inexhaustible and that a regulatory system is required with respect to fishing and caring for the fish and their reproduction in order to prevent their extinction."\*

Because they are sources of nations' reserves, exclusive economic zones constitute an important aspect of legal regulation since the latter protects them from indiscriminate and senseless exploitation.

### International Sea

International sea is defined as the zone situated beyond national territorial waters. International sea includes the waters, the bed, the floor and the subfloor of the sea that is outside national territorial waters.

Consequently, when we speak of international sea, we are referring to a category which because of its extent contains two more concepts: the high seas or open seas and the marine and oceanic depths — known today as an international zone of marine resources. From the legal point of view, combining these two areas into one category is justifiable since both are located beyond national territorial waters; that is, they are extensive areas of the sea that do not belong to any nation in particular since they constitute a source of resources that is the common patrimony of mankind.

There can be no doubt that one of the greatest discoveries of recent years has been the location of so-called nodular fields in the marine depths which, on being analyzed, exhibited the following mineral composition. The Pacific Ocean: manganese, 25 percent; nickel, 1.3 percent; copper, 1.2 percent; and cobalt, 0.3 percent. When the metal is extracted from the nodule, its purity is 93 percent for manganese, 96 percent for nickel, 94 percent for copper and 96 percent for cobalt. The Atlantic Ocean: manganese, 38 percent; nickel, 1.5 percent; copper, 1.5 percent; and cobalt, 3 percent. When the metal is extracted from the nodule, its purity is 93 percent for manganese, 96 percent for nickel, 94 percent for copper and 96 percent for cobalt.

The industrialized capitalist countries view the nodules as being fabulously promising. They are therefore fighting for control over them to free themselves from dependence on the underdeveloped countries for strategically important metals. Driven by their zeal to reap profits, powerful transnational companies are throwing themselves into this struggle. In the recently approved Sea Law

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\* Miguel A. D'Estefano, "International Public Law Plans," Editorial Pueblo y Educacion, Havana, 1977, vol 2, p 160.



Treaty the section that regulates exploitation of the marine and oceanic depths was extensively debated and constituted the key reason for which many Western powers refused to sign the international agreement. The most reactionary imperialist circles see in the technological advances they possess the appropriate weapon for despoiling the resources of the sea. For this reason they develop their plans in a manner that is arrogant and disrespectful of the rest of the members of the international community.

Given the dangerous orientation of such actions and their incompatibility with the interests of all of mankind, the underdeveloped countries have begun to channel the discussion that has arisen within the framework of the United Nations over the exploitation of the sea depths toward their sensible, equitable and peaceful exploitation. In connection with this, during its 24th series of sessions they proposed that the General Assembly approve a resolution for a moratorium on the exploitation of these resources so that they would not begin to be exploited until an agreement is reached that regulates everything involved in these activities. This resolution turned out to be Resolution 2574-B (24th).

However, many industrialized capitalist countries have violated the provisions of this resolution and, during the last series of sessions of the Third Sea Law Conference, they clearly demonstrated their reactionary position by refusing to sign the treaty and by attempting to boycott the efforts the international community has made over many long years.

There can be no doubt that the marine and oceanic depths zone constitutes the most complex issue in sea law and represents the most controversial point in the development of the subject we are concerned with.

This legal category has been delimited in a very general way. It is being proposed that by zone be understood the marine and oceanic depths and their sub-floor outside national territorial waters. It may be stated that the battle to objectively validate the legal nature of the marine depths was not fought during the Third Conference sessions, but that it had special relevance during the debates that took place in the UN General Assembly to arrive at the points contained in Resolution 2749.

The section of the Sea Law Treaty that is of greatest importance -- in producing an important effect on the new international economic order as well -- is the one that establishes an international administration for sea depth resources outside of national territorial waters, which are explicitly declared to be the common patrimony of mankind in the document. This controversial section took up most of the time spent on debates during the latest series of Third Conference sessions. In the treaty a parallel system is specified for the exploitation and exploration of the sea depths, a system which will under the control of an international authority permit operations by the enterprise created by the latter as well as by private or state companies, whose contracts have been awarded by the authority.

The parallel system represents a concession by the 77 Group, inasmuch as it deviated from its original demand that only the international authority explore the resources of mankind's common patrimony. It was precisely this stipulation

that provoked U.S. opposition and its negative vote. The United States also declared itself to be opposed to the obligatory transfer of technology and decision-making processes not subject to an American veto. In short, the Reagan government is opposed to the treaty because it feels that the international system of exploitation it establishes would be the first concrete manifestation of the new international economic order the underdeveloped countries are fighting for.

The treaty provides for the creation of a number of agencies that will perform important functions in achieving its complete international application; that is, a very complex international apparatus will be organized.

Another interesting aspect of the issue in question is the introduction of obligatory procedures for the resolution of controversies, including a new sea law tribunal. It will equitably rule on the operational process of this international apparatus as well as on the voting system to be employed in making decisions.

We may say that the category of marine and oceanic depths located beyond national territorial waters, that part of the sea which the Third Conference refers to as the zone, constitutes the most relevant achievement of the entire sea law legal system. The basic principle that ought to govern present-day sea law so that it may acquire validity within the framework of the shaping of the new international economic order should be that, in the distribution of these resources, the underdeveloped countries — and particularly those relatively less developed ones — obtain the benefits provided by the treaty in conformity with the policy line and the economic strategy proposed by the Movement of Nonaligned Countries at its different meetings and summit conferences.

Broad vistas are being opened to implement the agreements adopted with regard to this matter, which is of special importance to the world economy at the present time.

11,466  
CSO: 3248/223

CUBA

# WORLD-WIDE COVERAGE OF CASTRO'S VIEWS SEEN AS PROVING THEIR VERACITY

Havana BOHEMIA in Spanish No 10, 8 Mar 85 p 72

[Article by Tomas Diaz]

[Text] When one observes the widespread repercussions of public positions made by the president of the Councils of State and Ministers, Fidel Castro, in speeches and interviews, it is obvious that the Latin American press has faithfully reported the reality of the regional crisis. The press and other sectors have joined together in protesting to the United States over its participation in that crisis.

Nor is this the first time that such a thing has occurred. On other occasions, the leader of the revolution has also taken up the people's protests and expressed them in Cuba or at international forums at the highest levels, such as the United Nations.

The problem of the foreign debt led to the so-called Cartagena Consensus, grouping the 11 Latin American countries most heavily in debt. Three meetings of foreign and finance ministers have been held since June of last year. Officials have made diagnoses, predictions, rulings and appeals, but no one has yet been willing to publicly admit the crux of the problem, although they know perfectly well what it is: There is no money with which to pay the debt.

Given the Latin American situation of 1985, the statements of the highest Cuban leader are irrefutable. One can therefore understand why a conservative daily opposing the revolution, EL NACIONAL of the Dominican Republic, published an editorial upon learning of Fidel's pronouncements openly recognizing, while harboring no sympathy for the political system of Cuba and its leader, that the latter is absolutely right.

The size of the country matters little, for while the Dominican Republic is an island scarcely 48,442 kilometers square, Brazil, the largest nation in the region with an area of 8,511,965 square kilometers, cannot pay the \$104 billion it owes either. Nor has it found a solution to the payment of the \$45 billion due in the next 6 months. The Brazilian press has devoted its front pages to the statements by the top Cuban leader, with special emphasis on those having to do with the debt. The articles appeared in dailies free of any suspicion of admiration for the revolution, such as O ESTADO DE SAO PAULO, JORNAL DO BRASIL and FOLHA DE SAO PAULO.

The similarity between the observations of Commander in Chief Fidel Castro and objective reality has been demonstrated by the fact that at least 83 daily newspapers, television channels and radio stations have broadcast and published his remarks at length on more than one occasion.

In Latin America, 34 organs of the press in 11 countries have also reprinted his views with significant emphasis, generally on the front page, and in nations as dissimilar as Argentina, Nicaragua, Panama and Mexico. Argentine daily LA VOZ stated that with the dawn of 1985, "Fidel fever" has gripped American television stations and international news agencies, finally breaking a long news blockade.

EL DIARIO DE CARACAS in Venezuela ran the headline "Statements That Will Rouse Controversy!" At the same time, the newspaper with the widest circulation in Panama, EL MATUTINO, said, "Latin America Faces a Choice; the Debt Is Threat to Peace."

The interview which the Cuban leader granted the general director of the agency EFE, Ricardo Utrilla, and his correspondent in Havana, Marisol Marin, literally stunned half the world. According to our incomplete statistics, Spain published reports of the talk, lasting 6 hours, in 15 news media: EL PAIS, LIBERACION, CINCO DIAS, EGIN, DIARIO-16, CORREO ESPANOL, EL PUEBLO VASCO, ABC, YA, LA VANGUARDIA, RADIO UNO, CADENA CER, Radio Espana, Radio Hora AND GACETA DEL NORTE.

The Iberian press also gave prime space to the opinion of the head of the Cuban Revolution concerning Spain's entry into the North Atlantic Treaty Organization, to the effect that it was a historic mistake.

In the rest of capitalist Europe, the press also granted him space: Portugal, France, the Federal Republic of Germany, Italy, Sweden and England. In the latter, stories appeared in THE GUARDIAN, THE TIMES, THE FINANCIAL TIMES AND THE STANDARD, among others.

In the case of the United States, no further comment is needed. Suffice it to say that of the interviews recently granted by Fidel, one was with THE WASHINGTON POST and another for a public television station.

An analysis of the Latin American departments of the nine largest capitalist international news agencies: AP, UPI, EFE, IPS, ARF, ANSA, AFP, DPA and REUTERS, belonging, in order, to the United States, the United States, Spain, Italy, the United States, Italy, France, the Federal Republic of Germany and England, showed that they sent on their networks 221 dispatches based on interviews with the EFE and American television, basically dealing with the Latin American foreign debt, the Central American conflict and Cuba-United States relations.

In the socialist countries and for reasons very different from those of the capitalist press, the statements by the leader of the Cuban Revolution enjoyed an unusual spread. PRAVDA, the organ of the Communist Party of the Soviet Union, printed long reports on each and every one of the most recent public interviews of Fidel. The Moscow paper emphasized aspects relating to Cuban-USSR relations and the remaining members of the socialist community, holding them in high value, along with other issues treated.

Similar situations exist in the press of the German Democratic Republic, Hungary, Bulgaria, Poland, Romania, Czechoslovakia, Vietnam and others and a like situation has occurred in African countries such as Ethiopia and Angola.

While, on the subject of Latin America, the Cuban leader was precise and went into a detailed analysis of the crisis, his presentation was vigorous in emphasizing the superiority of socialism over capitalism, the need to preserve world peace and the validity and philosophical justification of socialism.

11,464

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8 May 1985

CUBA

## POLAND VIEWED AS 'SERENE' DESPITE 'SENSATIONALIST' TRIAL COVERAGE

Havana BOHEMIA in Spanish No 8, 22 Feb 85 p 65

[Article by Manuel Somoza]

[Text] In an unmistakably dramatic tone, the newscaster "filled in" the images of social unrest that the West Berlin television news program was presenting in its report on the trial of the men accused of murdering Polish priest Jerzy Popieluszko.

The trial was about to end in Torun, the northern Polish city that I had just left a few hours ago. The images I was seeing, however, had nothing to do with what I had just seen at the trial.

I soon caught on: The film was a "montage" of file footage, taken during the years of crisis that aroused the most diverse and sometimes contradictory feelings in Poland and in the rest of the world.

The game, which was also manifested in huge full-color photographs and sensationalist headlines in much of the Western press, was obvious; the idea was to give the impression that today's Poland is similar to the Poland of the early 1980s.

Without a shadow of a doubt, the trial of the four defendants in the Popieluszko case (all of whom were demoted and dishonorably expelled from the Polish Interior Ministry before the trial began) was one of the most important events in the judicial history of post-war Poland.

Nevertheless, the Poles' serene reaction to the crime, which turned into an act of provocation against the "Socialist Renovation" that is underway in Poland; the rapid response by the Polish Unified Workers' Party, the government and all its armed institutions; and the cautious stance taken by the Catholic Church, all implied what the trial would later confirm.

The "National Dialogue" policy that Premier Wojciech Jaruzelski is pursuing in a country that is still suffering the aftermath of last year's crisis, a country where the Catholic Church has considerable influence, a country that is still in the gunights of the NATO intelligence services, is rooted in the unyielding enforcement of current socialist legislation, regardless of rank or creed.

The four convicted murderers—two of them have just appealed their sentences—were decidedly not newcomers to the long battle the Polish Communists have been waging, and the victim, of course, was hardly the "saint" the anti-socialist forces are audaciously trying to portray now in the Vatican.

When all the Polish media reported the kidnapping of the priest last 19 October, the so-called "big press" even proclaimed in front-page headlines: "Death Squads in Poland." Some even talked of the existence of a "shady plot" against Jaruzelski. The goal of all this was to support the hypothesis of "instability" that certain people are trying to bring back to that country.

Nevertheless, the statements the four defendants made; their answers to questions posed by the prosecuting attorney, the defense attorneys and the collateral accusing attorneys; and even the situation in Poland today, where the national effort to make up for lost time is evident in atheists as well as believers, all reveal that the homicide was the result of a deplorable police practice, without a hint of any premeditated, nationwide plot.

We must not forget that this priest represented, in the political sphere, a small but active sector that was opposed to the current dialogue between the Church and the government, and in practice, clandestine groups that were in close contact with NATO espionage services.

The "National Dialogue," designed to focus all efforts on the "Socialist Renovation," was threatened, paradoxically, by four men who were committed to defending it from subversive actions such as those carried out by Popieluszko.

But Polish society was determined to move beyond that action. In December 1981 the Polish Government decided to take the offensive, and began to respond critically and boldly to the ideological, economic, social and political challenges of the moment.

No, it is not easy to engage in dialogue. The wounds sustained during the crisis are healing, but they have certainly not gone away completely. There is one fact that stands out, however: The Poland of 1985 is already strong enough to deal with provocations such as the one caused by the illegal elimination of Popieluszko. Although some organs of the Western press refuse to understand, there is definitely no file footage or propaganda that can stop a socio-political process from taking root in the men and women who are building their lives.

8926

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CUBA

## EFFORTS TO COMBAT SOIL SALINIZATION LIMITED TO RESEARCH

Havana BOHEMIA in Spanish No 11, 15 Mar 85 pp 90-91

[Article by Marta Cabrales]

[Text] Due to a paradox in nature, salt is at once one of the primary products of the province of Guantanamo, and a veritable scourge that damages a considerable proportion of arable land. As a result, a virtual war has been declared on salt.

The Party and the government have attributed great importance to the gradual solution of this problem, as evidenced by its inclusion in Law 33, on the protection of the environment and the rational use of natural resources.

This situation, which plagues much of the rest of the world as well, was also included in the directives handed down by the 2nd Party Congress and the Program of Measures to ensure the achievement of the economic and social objectives for 1984.

The guidelines laid down by Commander in Chief Fidel Castro in 1980, when he expressed the need to develop a program to counteract the salinization of soils, provided orientation in this regard, and posed a true challenge.

The opening of a modern, automated laboratory marks an important milestone in the research that has been conducted in this area for several years.

Why Guantanamo?

Although salinity is a problem in other parts of the island, affecting up to 2 million hectares, Guantanamo and Holguin are the hardest hit by this natural phenomenon.

Particularly in the easternmost province, out of 68,000 arable hectares, 63,000 are damaged. They are located in the valleys of Guantanamo, Imias and San Antonio del Sur, as well as small portions of Maisi.

It is important to note that more than 70 percent of this territory is mountainous, and that the small amount of land that is flat must be utilized to the utmost from the agricultural standpoint.



To give an idea of how imperative it is to combat this harmful influence, it is worth noting that at the beginning of the principal vegetable-growing plan in this territory, in 1960, yields of 3,000 to 5,000 quintals were obtained, while some 10 years later these yields were only about half that figure.

Moreover, the fundamental reason for the absence of the Paraguay plant from the list of mills in the 1983-84 sugar harvest was also the excess salinization of the land from which it obtains its raw material.

### Challenge to Salt

To be fair, we must differentiate among salts. Not all of them are harmful to soils; the nitrogen, phosphorous and potassium salts are of vital importance, while the ones that cause damage if they are present in excess are the so-called toxic salts, sodium chloride and magnesium chloride.

As in the case of other natural adversities, man's attitude has been to confront the problem and study it closely to learn its secrets in order to combat it. This is why this research began years ago, and has been accompanied by specific actions to curtail this harmful process.

Thus, the Saline Soils Research Center of the Academy of Sciences, headquartered in the city of Guantanamo, began applying physico-chemical improvement methods under laboratory conditions in 1973. It also began to draw up a salinity cartogram in a test area. The results were encouraging, and indicated that the researchers were on the right track.

The Ministry of Agriculture's saline soils experimental station, located in the place known as Matabajo, is also working along these lines. On its 5 caballerias of land it is testing agrotechnical methods designed to improve these areas and to define the standards for irrigation to flush the land, as well as the tolerances of plants under different conditions.

### Causes

In order of importance, the principal causes of excess salt in the Guantanamo Valley are the influence of the phreatic layer, intensive irrigation without the corresponding drainage, the characteristics of the material of origin, climatological conditions, and eolic salinization.

Contaminant salts come from underground water and the subsoil, where they build up as a result of the potential evaporation and low precipitation which are characteristic of the current climatic conditions in this region.

This salinized phreatic layer was raised as additional water flowed into the subsoil, due to the expansion and diversification of irrigation systems without corresponding changes in drainage.

In addition, the geological substratum of this area is part of the San Luis formation, which is composed of sandstones and shales and contains sulfate and hydrochloric salts.

Along with all of the above characteristics, the region has a semi-arid climate, with poorly defined rainy and dry seasons and precipitation that occurs at intervals primarily in the mountains.

In more specific terms, the annual rainfall averages 750 millimeters, the average temperature is above 26 degrees centigrade, and the evaporation rate is very high.

One more negative element is the wind; due to the deforestation of the coastal areas, the air currents flowing over the sea dump tons of salts each year on cultivated fields, and magnesium chloride has been found up to 5 kilometers from the coast, down to a depth of 30 centimeters.

It should be pointed out that as in any major research, the results are obtained over relatively long periods of time, and they do not bear fruit as quickly as one might like.

Nevertheless, one encouraging outcome of this work is that researchers have learned which laboratory methods to use. They have been able to determine the dynamics of salinity in the zones under study, including the degrees and types of salinity, and the heterogeneity of these features. Along with this, they have been able to determine the scale necessary for the salinity cartograms.

These achievements have made it possible to make scientific predictions about the advance of salinity.

This completed phase undeniably lays the groundwork for the recovery and improvement of soils, because it enables scientists to understand the phenomenon in its most diverse facets.

Green, cultivated fields will gradually take over, inch by inch, on the battlefield that used to be fertile land and is now populated with a wide variety of cactuses. That achievement will be the crowning glory of these efforts.

#### Laboratory, Analytical Base

The Hungarian-built laboratory, which just recently opened, provides a promising future for saline soil research in the country. It will supply the necessary analytical base with a maximum degree of quality and a high level of automation, unlike any other facility of this type in the country.

A total of 200 daily samples will be processed by the lab in 19 different analytical categories, and the time required for each test will be reduced considerably; in 1 day, work that usually takes up to a month can be completed.

The soil samples that arrive at the laboratory in small plastic bags, duly identified, first undergo intensive drying, and the stones and gravel are removed from them. Next they are ground up, and then they are weighed. It is at that point that the amounts required for testing are determined.

The two types of analysis are to proceed immediately with the solid sample, or to add chemical reagents and then check the resulting solution.

From this small world of flasks, test tubes, crystals, filters and containers, the results will eventually emerge. The researchers and technicians will utilize these results to eliminate the devastating effects of the salt.

Because of the importance of the work that is being done in this part of the country under the saline soils recovery and improvement program, the research center has become a department of the Soil Institute of the Academy of Sciences, and the laboratory is the heart of that center.

This is the view of the members of this new collective; they know that their patient and selfless efforts will yield, albeit in the long run, greater agricultural production for the country's economic development.

8926

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CUBA

BRIEF

COUNCIL OF MINISTERS ADVISER DIES--Havana--Dr Manuel A. Gutierrez Balmaseda Remedios, legal adviser to the Secretariat of the Executive Committee and the Council of Ministers, was buried yesterday afternoon at the Colon cemetery in this city. He died Saturday after a painful illness. At the time of his death, Gutierrez Balmaseda was a member of the Communist Party of Cuba, and had built a distinguished record as a revolutionary and legal professional. Osmany Cienfuegos, member of the Central Committee Politburo and secretary of the Council of Ministers and the Executive Committee, attended the funeral along with other leaders and workers of the organization, and family members. [Text] [Havana GRANMA in Spanish 25 Feb 85 p 3] 8926

CAUSE OF JANUARY PLANE CRASH--The commission investigating the catastrophic crash which occurred on 19 January 1985, involving the IL-18D, registration CUT-899, belonging to the Cuban Aviation Enterprise, has concluded its work and filed a report. The aircraft was on the regular CU-1462 flight between Havana and Managua, Nicaragua. The analysis and investigation were fundamentally based on flight information gathered by the MSRP-12-96 system (commonly known as the "black box") and led to the determination that no fire or explosion occurred in the air before the crash. The commission ruled that the cause of the accident was due to a failure of the artificial horizon instrument used by the pilot-in-command, which caused him to make too steep of a turn. This could have caused cargo to shift and thereby affect airplane controls, preventing the crew from returning to straight and level flight. [Text] [Havana GRANMA in Spanish 2 Mar 84 p 3] 11,464

CSO: 3248/318

DOMINICA

CHARLES SAYS WAGE INCREASES KEYED TO PRODUCTIVITY

FL282055 Bridgetown CANA in English 1613 GMT 28 Mar 85

[Text] Bridgetown, 27 Mar--Dominica's Prime Minister Eugenia Charles said today productivity should be a key factor in deciding pay increases for workers. Miss Charles raised the point in a feature address to the annual general meeting of the Barbados Employees Confederation (BEC), which groups almost 250 private sector bosses here.

It is time that we accept that it is the successful performance of the enterprise which can allow for greater flow of earnings to individuals who work there, yet we give this very little importance in our wages discussions, she said.

The Dominican leader expressed the view that if industries and other employment activities in the Caribbean Community (Caricom) are to grow, then special attention must be paid to increases in productivity for both labour and management.

In the process of considering wage increases within contract negotiations, it may be necessary to argue for wage increases which are not the same for all enterprises because of varying productivity performances and pricing experienced, she said. This means a retreating from an across-the-board increase in wages for all sectors of the economy.

She added: This type of consideration would be useful for the future of business in the Caricom region, given the lean times which we are going through. This can come about by a series of consultations between labour, commerce/business and industry, employers and the public sector. Miss Charles urged action on the idea by the relevant parties.

The Dominica prime minister urged regional employers to involve workers more in the workplace as a means of increasing productivity.

CSO: 3298/560

DOMINICA

BRIEFS

TRADE DEFICIT--Roseau, 4 Apr (CANA)--Dominica's trade deficit rose to 88.8 million dollars (one EC dollar; 37 cents US) last year, from 49.5 million dollars in 1983, according to official statistics. The figures, released today by the Statistical Department, showed imports last year amounted to 156.1 million dollars. Exports were valued at 67.3 million dollars. The 1983 import bill stood at 121.7 million dollars, while exports that year totalled 72.2 million dollars. Dominica purchased 32.7 million dollars in goods from its Caribbean Community (Caricom) partners. Trinidad and Tobago, this country's major Caricom trading partner, had a 2.3 million dollar favourable balance, having sold Dominica 12 million dollars in goods while importing 9.7 million dollars worth of Dominican goods. Manufactured goods accounted for the bulk of the island's export trade last year. Other major exports are a range of agricultural produce, with bananas topping the list. [Text] [Bridgetown CANA in English 2150 GMT 4 Apr 85]

CARIB AID, FISCAL ISSUES--Roseau, 4 Apr (CANA)--The Caribs, Dominica's aboriginal people, want the government to establish a special fund to provide loans to residents in their exclusive Salybia Reserve on the eastern side of the island, a Carib spokesman said. Parliamentary leader of the opposition, Matthew Joseph, himself a Carib, plans to make the request to Prime Minister Eugenia Charles at the next sitting of the House of Assembly on Tuesday. Tuesday's sitting of parliament will also debate a bill which seeks to make the east Caribbean dollar the only currency for legal tender in Dominica. EC dollar notes and coins are issued by the St Kitts-based Eastern Caribbean Central Bank (ECCB), of which Dominica is a member. The house will also consider a proposal by government to borrow a sum of money not exceeding 15 million dollars (one EC dollar; 37 cents U.S.) from the four local commercial banks to meet government's current requirements. [Excerpts] [Bridgetown CANA in English 1627 GMT 4 Apr 85]

CSO: 3298/560

MEXICO

NUEVO LEON PORTIONS OF PRI STUDY ON JULY ELECTIONS QUOTED

Monterrey EL NORTE in Spanish 20 Feb 85 p 5-A

[Article by Carlos Ortiz Gil]

[Text] In an official report that has ceased to be strictly confidential, the National Executive Committee of PRI lists the districts that it regards as problems in the upcoming balloting for federal deputies.

These are the so-called "tough" districts throughout the country. There is talk of losing 20 federal deputy seats in the Federal District alone. And believe it or not, these shaky districts in the Federal District are causing the CEN real headaches, so much so that it is spending more time on them than on the potential catastrophic losses in the provinces.

The report, a copy of which I have in front of me now, mentions the electoral districts in Nuevo Leon that the CEN's analysts regard as problems. I am going to transcribe the pertinent paragraphs to show that the political opposition that PRI claims does not exist is strong enough to represent a real headache for PRI and the administration. (The numbers refer to the districts.)

"Monterrey, 1, 2 and 3: special attention. Districts with heavy PAN [National Action Party] influence. Voting for this party increased considerably in 1982. PRI acknowledges that it will have a great deal of trouble here. Voter abstention is high, but those who do vote lean more towards the rightwing opposition.

"Guadalupe, 4, a problem, heavy PAN influence. In previous elections PAN was narrowly defeated.

"Garza Garcia, 7; Guadalupe, 9, and San Nicolas de los Garza, 10: special attention. Districts in which municipal governments have been held by PAN in the past. Heavily influenced by the rightist party. Hard for PRI to penetrate."

These are the federal election districts that represent risks in the judgment of the ruling party's CEN. And as we can see, they

are being realistic, unlike the PRI people here, whose minds are still muddled by the arrogance and political cockiness of Our Honorable Governor, who has denied that an opposition exists.

If we analyze the report and draw conclusions, we will see quite clearly that the only districts that are not described as problems or deserving of "special attention" are the so-called "positions" (possessions would be a better word) of the labor and peasant federations. The others, of which the CNOP [National Confederation of Popular Organizations] is in charge, are gloomier than a wintertime wake with no coffee or booze.

The fact is that there is no CNOP in the state. Well, there used to be, but the Honorable Governor, Rolando Castillo and the Yavidias did away with it. What is more, I would go so far as to say that what remains of PRI in this state is just the labor sector, particularly the CTM [Confederation of Mexican Workers] because of its almost paramilitary organization. The CNOP is a Court of Miracles, and the peasant farmer sector lacks political clout (just one interchangeable and negotiable federal deputy's seat).

The report reflects the fact that the PRI in this state has been turned into a sort of "I and I alone am the party." In other words, there is really no party as such, just a single person running it. And as far as the elections are concerned, this is more dangerous now than if a lion tamer were to spend a week unarmed in a cage of the hungry beasts. The reason: PRI could lose, or there could be fraud leading to major violence.

There are those who assert that the campaign of the ruling party's official candidate is lackluster (and it is) for two reasons: a) because of the total lack of party support for him, and b) because the fact of the matter is that PRI does not exist in the state as an operative campaign organization. Both of these facts underscore the central problem, which I have talked about time and again: His Honor the Governor is leaving behind him many admirable public works projects, but he has bequeathed political ruins to his successor under the PRI government system.

To the delight of the opposition, PRI's election machine has not started up. Or if it in fact has, it is like a car whose engine is burning gasoline that has been cut with water, an engine that coughs and bucks. The PRI state organization today is like a ghostly ectoplasm, not something real and tangible. PRI's affairs are run from the governor's palace, not from the party's offices. Senator Patrocinio Gonzalez, the CEN's new delegate, will realize this as of today when he takes up the task of undoing the mess that Pepe Murat has left behind. He will see for himself what people are saying: there is no PRI organization, just His Honor the Governor.



If the aforementioned districts are "problems" or deserve "special attention" now, as the report says, they will be even more so to the extent that PRI does not set in motion a new organization that does not depend solely on the whims of His Honor the Governor but that instead works as a team. The country's biggest party must function as an organization in itself, not as an appendage or as an office of the state governor. This is the heart of the matter. The problem today is not the campaign proper; it is, sad to say, His Honor the Governor himself, who even at this point does not want to give up any power whatsoever, even if he thus helps the opposition to swallow up a mandate that it has already nibbled away at a good deal (the report talks about this), thus putting the system and the president himself in a real jam.

PRI could nominate highly prestigious and deserving big-name candidates for deputy (who do not include, in my opinion, the fans of Castillo or the entrenched Yavidia people) and thus not have to wage a campaign against the opposition. PRI's enemy is the economic crisis, first of all, then the disgust with its by now internationally infamous arrogance, and to top it off, governors who still regard as valid what the enlightened despots and monarchs of the 18th century used to say: "I am the State."

PRI is likely to lose. Even the "confidential reports of PRI inner circles admit as much. The opposition (which the report describes as "rightwing") is gaining ground every day and deserves to because of its patient hard work and its nationalistic outlook. Nevertheless, high-level PRI officials in this state do not seem to realize, much less accept this fact and this threat, especially the man who was born to be governor and who wants to continue basking in the limelight.

8743

CSO: 3248/295

MEXICO

DOZENS OF JOINT CANDIDATES SELECTED BY LEFT FOR JULY POLLING

Mexico City LA JORNADA in Spanish 12 Mar 85 p 3

[Article by Javier Rodriguez Gomez]

[Text] Leftist parties continue to nominate candidates for deputy from single-member districts. In line with this approach, the Mexican Workers (PMT) has around 60 candidates who will also be running with the support of groups such as the PRT [Revolutionary Workers Party], PSUM [Unified Socialist Party of Mexico], PPS [Popular Socialist Party], COCEI [Labor, Peasant, Student Coalition of the Isthmus], the Party of the Socialist Revolution and the Popular Defense Committee

The PSUM will today register eight candidates with the Federal Electoral Commission; they are backed jointly by the PMT, the Socialist Current and Unity of the Communist Left and are seeking seats in the capital. They are: Valentin Campa, Manuel Terrazas. Arnoldo Martinez Verdugo, Consuelo Solis, Jesus Trapaga, Gonzalo Rojas and Demetrio Vallejo.

The original aim was to run joint candidates with the Popular Socialist Party, but difficulties arose that the members of the liaison committees of this party, the PSUM and the PMT were unable to overcome.

The liaison committees of these parties were scheduled to meet last night to see whether they could today submit to the Federal Electoral Commission a broader proposal for party backing of leftwing candidates.

Jesus Lujan Gutierrez, the head of the PPS in the capital, stated that his party "was open" to making the necessary changes on its slates of candidates to back others outside the party.

He said that at the meeting they would also decide on joint candidates in election districts in Puebla, Sinaloa and Baja California.

Eduardo Valle, the PMT's election director, reported that people's electoral assemblies have already selected 200 candidates in as many districts around the country, adding that 60 of them are from other parties but will be supported by the PMT.

The PMT will have all its candidates registered with the Federal Electoral Commission by next Thursday, and Valle indicated that its candidates would be running in 299 of the 300 election districts.

The PMT will not be running a candidate in the Santa Maria de Tlaxiaco district in Oaxaca so as not to interfere with the campaign of the man nominated by the PRT in conjunction with a local grassroots organization that did not want its candidate to be backed by the PMT as well. "We accept the decision and we are not going to run a candidate there so as not to divide the opposition," Valle asserted.

The PMT will register the 100 candidates from multiple-member districts around the 20th of this month. Work is now moving forward on drawing up the slates and on the corresponding documentation.

8743

CSO: 3248/296

MEXICO

FEATURES OF, REASONS FOR NATIONAL SAFETY PLAN PRESENTED

Monterrey EL NORTE in Spanish 21, 22 Feb 85

[Article by Cosme Haces]

[21 Feb 85 p 3-A]

[Text] The aim of the National Safety Plan is not to create a police state; on the contrary, it is to make the police less repressive and more professional, ethical and modern.

"The police will be more efficient, competent, honorable, impartial and honest and a better guarantee of citizen safety."

There is, of course, no intention of creating another police corps of "superagents," an FBI-style superpolice, EL NORTE was told by high-level officials in the Interior Secretariat who are involved in drafting the National Public Safety Plan (PNSP).

They indicated that the plan would be submitted within a few days to President Miguel de la Madrid; it has been drawn up by Interior Undersecretary Col Jorge Carrillo Olea and coordinated by Ignacio Morales Lechuga.

The National Safety Plan will affect the approximately 120,000 municipal and federal police agents in the country.

The documents obtained by EL NORTE indicate that all of the police groups that are not in line with the constitution, Article 21 specifically, will be abolished.

The plan will define the areas of responsibility of the police, establish the National Police Academy, refine recruitment procedures and expel bad elements from police agencies.

Longstanding police vices will be combated through incentives and rewards but also with severe sanctions.

"The demand for public safety in Mexico is greater every day, and this demand has to do with both the quality and the quantity of the agents," our sources indicated.

"We have to bridge that gap between police agencies and society."

To this end, the PNSP has focused on six areas of action: a legal framework; professional training; reorganization of police structures; assessment and inspection; material and equipment; technology and systems.

"The police problem in Mexico is very complex. If the solution were just to increase pay, it would have already been done, just as if the solution were to buy more patrol cars or more weapons," said our sources.

Therefore, the PNSP is a complex program as well.

They indicated, however, that the new plan fully respects the sovereignty and autonomy of the states.

"The aim is to create a professional police force that is not affected by political changes."

"For example, there will be no danger of an opposition mayor not having the backing of his municipal police, because the goal is to create a police force that protects society at large, not just mayors or governors."

[22 Feb 85 p 3-A]

[Excerpt] The windmill and coffee roaster police, the jai-alai police, the Lerma River project police: these are some of the odd police forces on the job in our country.

The list is even longer, though. Among other forces there are the customs police, the fiscal police, the fiscal police of the Federal District, the waterworks police, the forestry police, the federal roads police, the ports police, the air navigation police and the sanitation police.

There are also the preventive police forces of the 2,377 municipalities in the country, the police forces of the 31 states and the Federal District, the judicial police forces of the states and the Federal District and the federal judicial police.

To them we must add the industrial and bank police forces and the private security services, of which there are some seven or eight in Monterrey and an equal number in the capital.

Such a profusion of police forces has fostered abuses, unethical conduct and, therefore, uneasiness among citizens, acknowledge the officials who are drawing up the National Public Safety Plan.

The PNSP, which Undersecretary of Interior Jorge Carrillo Olea is drafting and Ignacio Morales Lechuga is coordinating, calls for making police forces subject to constitutional principles.

The situation has been chaotic until now.

The assistant attorney general of the Federal District, Rene Paz Orta, indicates that even the ways of thinking and talking about crime have been affected in Mexico.

"All of them in one way or another furthered this dangerous trend, so much so that it began to seem normal, giving rise to abuses and complacency, people going unpunished and, finally, demoralization."

"The failure (of police forces) to observe the law," says the assistant attorney general, "represents a vicious circle that harms both the police and the community at large. The situation has gotten to the pathetic extreme that attempts are made to right wrongs with other wrongs, a disastrous tendency that has been growing for decades and that has tarnished our history."

Undersecretary Carrillo Olea asserts that law enforcement agencies are worrisomely backward in their administrative organization and technological development, using trial-and-error methods and suffering from serious manpower and equipment shortages.

8743

CSO: 3248/285

MEXICO

PLAN CALLS FOR CITIZEN INVOLVEMENT TO FIGHT CAPITAL CRIME

Mexico City EXCELSIOR in Spanish 26 Feb 85 pp 5-A, 8-A

[Article by Nidia Marin]

[Text] The way to begin fighting the growing wave of crime and insecurity in the capital is to mobilize the citizenry in the 16 delegations of the Federal District, said Juan Antonio Garza Hernandez, the chairman of the Advisory Council of the City.

When organized under the Comprehensive Program for Citizen Protection, the residents of the Federal District will cooperate with police forces, whose 20,000 agents are not enough to safeguard the city.

The Gustavo A. Madero delegation is the first in which the program will be established, and this will happen in March.

Three citizens will be appointed on each of the delegation's 6,800 blocks to act as a direct link between the people living on the block and the law enforcement and roadways authorities in each sector. They will be called Vigilance Committees.

Local residents will help to detect suspicious individuals or vehicles and can summon the police. The local representatives will use special phone numbers to forward reports to the authorities.

This will help prevent false reports, Garza Hernandez indicated.

He explained that the members of the committees would be selected very carefully so that they do a good job.

At the same time, police authorities will pay frequent visits to the most troublesome areas where criminals, drug addicts and muggers gather. Special attention will also be paid to schools, as police officers will talk with teachers and parents and ask for their cooperation.

Garza Hernandez stated that the residents of the capital themselves must demonstrate a greater awareness and help in this campaign, instead of encouraging crime.

In this regard he said that housewives should not wear too much jewelry outside the house or carry money around conspicuously, so as not to attract the attention of criminals.

They should observe minimum safety standards by taking only enough money for their purchases, he added. He offered the same recommendation to workers, especially on payday.

He also mentioned that many people who complain about being robbed encourage theft by leaving their homes and cars unlocked.

Juan Antonio Garza Hernandez explained that citizen involvement seminars would be held at which local residents, teachers, parents, and representatives of student organizations and service clubs would meet with police officers in a bid to enhance law enforcement protection.

In addition, he asserted, the functions of the block representatives would be spelled out so that they do not overstep their bounds.

8743

CSO: 3248/285



MEXICO

JPRS-LAM-85-040  
8 May 1985

# WORKERS TO ORGANIZE IN RESPONSE TO ABUSES BY POLICE

Mexico City EL DIA in Spanish 15 Mar 85 'Metropoli' supplement p 13

[Text] Tultitlan, Mexico, 14 Mar--In the face of extortion, illegal arrests and violence by municipal preventive police officers against workers from the industrial zones of Tultitlan, Chilpan and Lecheria, representatives of the workers will form brigades to beat back attacks by the "forces of law and order," whose assistant commander, Manuel Becerril Garduno, the owner of the El Tropicana brothel, is a buddy of Mayor Fidel Gonzalez Ramirez.

This information was furnished by Eduardo Roman Robles, Miguel Sanchez Aleman, Antonio Trejo and Juan Alonso Bernal.

All complaints of police abuse in Tultitlan, they explained, will be channeled to the prosecutor's office, to the Office of Public Safety and Transit and to Governor Alfredo del Mazo himself, so that punishments can be meted out to the preventive police agents who, particularly on weekends, are blackmailed (or else fined) by Commander Ignacio Silva Maceda, reportedly "for walking around drunk" and thus harming the interests of the people.

The worker brigades, they say, will repel police attacks and thus help squatters, peasant farmers, students, housewives, etc.

The complaints are specifically about illegal arrests, extortion, assaults and even salary theft.

"There are legal grounds for putting an end to these irregularities," said Juan Alonso Bernal, the leader of the Revolutionary Confederation of Workers and Peasants] in the Valley of Mexico.

The worker representatives indicated that far from protecting the workers, the preventive and judicial police agents from the Cuautitlan de Romero Rubio Group and their "godmothers" have become the main extortionists of the working class.

The same sort of brigade to respond to police aggression that will be set up in Tultitlan will also be established in the municipalities of Ecatepec, Cuautitlan de Romero Rubio, Cuautitlan-Izcalli, Coacalco, Tlalnepantla, Villa Nicolas Romero, Ciudad Nezahualcoyotl and Naucalpan, the labor leaders said in conclusion.

MEXICO

BRIEFS

GUERRILLA POSSIBILITIES DENIED--Durango, Durango, 14 Mar--Defense Secretary Juan Arevalo Gardoqui has denied that the economic crisis could lead to the emergence of guerrilla groups in the country and that there is corruption or criminal involvement with drug trafficking in the army. He asserted that the nation's highways are safe, even for foreign tourists, and that there are no paramilitary groups in the country battling the Armed Forces. Gen Arevalo Gardoqui arrived in this city as President Miguel de la Madrid's representative to sign the Single Convention for the Development of the State of Durango with Governor Armando del Castillo Franco. At a brief press conference he said that the military never places its interests before those of the nation and vigorously denied that military personnel are in cahoots with drug traffickers. He underscored that the nation's highways are not as dangerous as powerful interests have led foreign tourists to believe and he repeated that the army is safeguarding the interests and safety of travelers, especially during vacation periods. He said that Operation Condor is a continuing program in the Durango-Chihuahua-Sinaloa drug producing triangle. He publicly saluted the state of Durango because "its people and its authorities, headed by its governor, are familiar with and are sincerely carrying out the pacts and agreements signed with the Federal Government."

[Text] [Mexico City EXCELSIOR in Spanish 15 Mar 85 'States' section p 1] 8743

GUERRERO: GUERRILLA GROUP REAPPEARS--Mexico City, 5 Mar--Lucio Cabanas's guerrilla group, which plagued the region of Atoyac de Alvarez in Guerrero State for years, has returned to action, this time commanded by two half-brothers of the slain terrorist. Using the same name that Cabanas's group did, "Party of the Poor," the new group has just kidnapped Felix Bautista, a member of the PSUM [Unified Socialist Party of Mexico], in this city. Jorge Trejo, a spokesman for the PSUM, indicated today that a group of Lucio Cabanas's relatives who regard themselves as his heirs in the guerrilla struggle and who live off his reputation, have begun operating in the Guerrero mountains and that their terrorist raids have even reached into the country's capital. "They are trying to terrorize the people who are really struggling for a better society," Trejo said. The PSUM indicated that the guerrilla group is commanded by two half-brothers of Lucio

8 May 1985

Cabanas, one of them named Gervasio. The secretary general of the PSUM, Pablo Gomez, today appealed to the "Party of the Poor" to release Bautista, who was kidnapped last 22 February. In a communique the PSUM indicated that Bautista's disappearance was confirmed in a note that his captors sent to his wife on the 24th of last month. The members of the "Party of the Poor" have had no further contact with Felix Bautista's relative or with PSUM leaders since then, the party asserted. Pablo Gomez said that he was willing to contact Bautista's captors to learn of their intentions. "It is absurd for a group that calls itself revolutionary to brazenly kidnap a leftwing activist," Pablo Gomez commented. He added that if the so-called "Party of the Poor" wishes to discuss any matter with any leftwing organization or with the PSUM, it should do so directly and forget about thoroughly reprehensible acts. [Excerpt] [Monterrey EL NORTE in Spanish 6 Mar 85 p 1-A] 8743

ALLEGED STUDENTS ATTACK POLICE--Alleged students from the now defunct Popular Preparatory School who had joined the demonstration staged yesterday by residents of San Juan Ixhuatepec and Santa Maria Astahuacan after a sit-in outside the Interior Secretariat, went on a rampage near the Federal District Courthouse, holding up stores, hijacking buses on Route 100, confronting Safety and Roadways personnel and wounding eight agents from various law enforcement bodies, the Federal District Attorney General's Office [PJDF] reported. They hijacked buses on Doctor Rio de la Loza, Heroes and Doctor Lavista streets and then tried to break into the Balderas subway station, the report says. The so-called "students" disarmed preventive police agents, hurled rocks at Safety and Roadways patrol cars and damaged the outside of the Professional Institute of the Attorney General's Office. In a communique released last night, the PJDF reported that two police officers were forced onto one of the hijacked buses, disarmed, beaten and knifed. Groups of agents from the PJDF, the report says, backed up personnel from the SGPV [Federal District General Secretariat for Safety and Roadways] and fired shots into the air to turn back the demonstrators, who hurled rocks at them. In the communique the office said that the "students" presumably used the weapons they had taken from the kidnapped policemen to wound officer Roberto Salas Garcia and Jose Domingo Garrido, who were transferred to the Ruben Leneno Hospital. The group totally disrupted traffic in downtown Mexico City and prevented a number of subway trains from making their runs. The preventive and judicial police reported that they arrested a great many of the individuals involved in the rioting, who were turned over to the Public Ministry. Red Cross volunteers said that unit 54 managed to rescue the two judicial police agents who were wounded in the fray. [Text] [Mexico City EXCELSIOR in Spanish 1 Mar 85 p 5-A] 8743

RIGHTS-JUSTIFIED VIOLENCE REJECTED--The city government can no longer tolerate the sort of anarchy in which people resort to aggression allegedly to uphold their just rights, the head of the Department of the Federal District, Ramon Aguirre Velazquez, warned yesterday. If the government allows further disruption in an already complex society, it would give rise to a climate in which the law of the jungle would prevail, he emphasized. The most vulnerable classes would be even more seriously hurt in that sort of situation, he added. Aguirre Velazquez spoke to the members of the National Polytechnical Institute community at the close of the gathering at which they voiced their views on the Program for Urban Reorganization and Ecological Protection. The event was held in the Manuel Moreno Torres Auditorium at the Polytechnical Institute's Adolfo Lopez Mateos Professional Unit. [Text] [Mexico City EXCELSIOR in Spanish 5 Mar 85 pp 5-A, 29-A] 8473

GUERRERO: GUERRILLA PRESENCE DENIED--Guadalajara, Jalisco, 7 Mar--Even though Acapulco has been hit by a severe depression in tourism, guerrillas and kidnappers are a thing of the past in my state, asserted the governor of Guerrero, Alejandro Cervantes Delgado. He had noted earlier that in spite of the campaigns to discredit Mexico, there has been foreign investment in shopping centers, hotels and restaurants, which shows that "there is confidence in Mexico, confidence in Guerrero." After inaugurating Guerrero Week in Jalisco at the Cabanas Cultural Institute, along with Jalisco Governor Enrique Alvarez del Castillo, Guadalajara Mayor Jose Guillermo Vallarta Plata and the mayors of Acapulco, Tasco and Chilpancingo, he asserted that social calm prevails in Acapulco and in the rest of his state. [Excerpt] [Mexico City EXCELSIOR in Spanish 8 Mar 85 'States' section p 3] 8743

CSO: 3248/285

PERU

## OPINION DIVIDED ON REVISION OF SOVIET FISHING ACCORD

Lima CARETAS in Spanish 25 Mar 85 p 29

[Text] Are we truly benefitting from our fishing agreements and resource development contracts with other countries? This question contains the seed of the concern that has prompted Fishing Minister Ismael Benavides to propose the revision of the pact with the Soviets, as a first step.

The minister's interest in gaining a bigger cut for the country and in preventing overfishing in our waters (or, if possible, in neighboring waters), is healthy, according to the president of the National Fishing Association (SNP), Salomon Manzur. Even the leaders representing the employees of the State Fish Meal and Fish Oil Production Agency (PESCAPERU) agree with this, and indeed are demanding a firmer stance. The problem is that in certain instances political passions are obscuring the heart of the issue, the need to feed the country, which is caught in the crossfire.

According to Benavides, the pact should be "reworked." Under this agreement, the Soviets gave Peru technical assistance during the military regime, for the construction of the Paita fishing complex. Incidentally, that complex has "recently begun to be fully utilized," according to Benavides. Others, however, such as Populist Deputy Pedro Arriz, chairman of the Chamber of Deputies Fishing Committee, believe that the complex was dismantled, its machinery sold to the private sector and the buildings turned over to the Navy after the government deactivated the Peruvian Mixed Fisheries Enterprise (PEPESCA). But that is another story.

Under the agreement in question, Peru committed itself to paying the Soviets for the complex by providing port services, repairs and facilities for supplying fresh water, fuel and provisions.

"But there are more than 200 vessels," Benavides has said, while those who advocate keeping the agreement as it is claim that there are much fewer. Benavides also says that the fish are unaware of the water boundaries, and that even if the Soviets stay on the other side of the 200-mile limit, they still manage to fish banks that leave our waters at certain times, thus preventing these fish from returning.

According to experts at the Foreign Ministry, the minister is wrong in his announced intention of trying to find out what operations the Soviets are engaged in beyond our waters.

On the other hand, as if to prove that the Soviets and the Poles—with whom the Fishing Ministry quarreled more than a year ago—are not the only ones who are interested in our fishing wealth or in exchanging services, assistance and experience, a short time ago another pact was signed with Mexico. That agreement calls for an exchange of experts; joint research on anchovies, mackerel, yellow jack, sardines, pote, machete and other species; and experiments on techniques of processing foods derived from fish.

Getting back to the fishing development agreement between Peru and the USSR, it is important to note that no expert or fishing official advocates that we rescind the pact. The minister himself has said that the goal is better "terms for the country." This issue should be resolved in the next session of the Legislature.

8926

CSO: 3348/540

PERU

# APRA LEADERS SAID TO FAVOR NORTH KOREAN RAPPROCHEMENT

Lima OIGA in Spanish 25 Feb 85 p 33

[Article by Fernando Flores Araoz]

[Text] Three weeks have passed since OIGA reported the secret meeting of candidate Alan Garcia and other American Revolutionary Popular Alliance [APRA] leaders with the North Korean Commercial Office representatives but up to now Alfonso Ugarte's party has not clearly defined to what extent they "coincide fundamentally" or explained APRA's apparent rapprochement to Comrade Kim Il Sung's totalitarian regime.

In addition to the episode of the mysterious box carried by Deputy Carlos Roca--concerning which he and Senator Luis Alberto Sanchez have given conflicting reports--it is noteworthy that APRA continues to expound different positions on foreign policy through its candidates' statements.

If APRA were to come into power, it is not known, for example, whether it would follow the international policy announced on "Conexiones" on Channel V by candidate for deputy from Lima Alfredo Barnechea who indicated that he does not support an alignment with Cuba like that of the military government or if the policy will be that explained by Carlos Roca who not only announced that APRA will establish diplomatic relations with North Korea, but openly shows empathy toward that totalitarian regime to the extent that he had his picture taken with Comrade Kim Il Sung in which he was dressed as a North Korean.

Roca, who has gone to North Korea three times as a guest of Kim Il Sung's government, is considered one of the main advocates of rapprochement with North Korea, along with presidential candidate Alan Garcia who has been in Pyongyang twice. During Roca's visit to North Korea in April 1984, he carried a personal letter from Alan Garcia to Comrade Kim Il Sung. At the time Garcia Perez was not yet the presidential candidate but was only the secretary general of APRA. Information regarding that "personal letter" addressed to the "great leader" Kim Il Sung--Alan addressed him as such when he later, in July 1984, visited North Korea--was not reported by Oiga, but by the official North Korean publication which is reproduced on these pages.

On the other hand, the subject of the bonds between APRA and the North Korean communists continues to be gossiped about within political and newspaper circles where it was recalled that during the Velasco period, North Korean representatives were expelled from the country because they were involved in the smuggling of electrical and electronic equipment. According to those stories, the North Koreans contemplated making a profitable business to obtain funds to finance their propaganda activities.

Former Foreign Minister Jose de la Puente Radbill admitted to OIGA that this last story, which was also published on the political page of EL COMERCIO, is known to our Ministry of Foreign Affairs. However, at Torre Tagle they preferred to handle this case with caution.

9204

CSO: 3348/441



PERU

# DIVERSIFICATION SAID ONLY KEY TO SUGAR CO-OPS' SURVIVAL

Lima EL COMERCIO in Spanish 25 Feb 85 p A-4

[Text] The dilemma of the sugar farm coops is whether to enter a stage of diversification of their products or to substitute other crops in the medium term. That is where their future lies.

As a result of past management, seven of the twelve coops are bankrupt. Their liabilities are greater than their assets.

These are Pomalca, Laredo, Cartavio, Ingenio, Cayalti, San Jacinto and Chucarapi. The last three are classified as unlikely to recover.

However, the state persists in offering them the opportunity to save themselves with a guarantee of credits amounting to \$200 million which has been applied for at the World Bank.

"This is the last train which will go past the door; anyone who doesn't get on now stays behind." This is the picture drawn by an expert who says that after previous attempts there is seriously not much that can be done to save those enterprises.

For recovery to be feasible, expensive measures must be adopted in several areas within the next 20 years.

## Solutions

In the face of the loss of their patrimony, that is, the decapitalization of the sugar industry, a revaluation of their assets is proposed. This is something which has not been done for a decade.

Any coop which is not saved by this means will have to convert its workers' social benefits into capital. The total capital required would be \$93 million.

For those coops which in spite of both of these steps continue to be unsavable, it is proposed they sell some of their assets--in the case of Laredo, for example, some of its land.

In view of high production costs, proposed solutions are to reduce personnel, to eliminate pre-cooperative social welfare benefits, to transfer to the state the overall management of hospitals, education, management of cities and to eliminate the cost of housing.

It is proposed that the problem of the \$296.7 million debt be solved by negotiating refinancing.

As to the management problem, the coops should be urged to consult with economists before making decisions and they should have technical advice due to the low level of education of those managing the associated enterprises.

#### Diversification

The study suggests that during a second stage of development the coops turn to industrial diversification.

Molasses should be used to produce fuel alcohol; alcohol should be obtained from juice; the industry using pressed pulp to generate electric power should be reinforced and the Peruvian board factories should be revitalized.

Final decisions will be made by the coops themselves.

The informant said, however, that the coops have systematically rejected all the alternatives presented by the government.

They have rejected the rehabilitation project, the national sugar board and participation in sugar research.

The coops know that with sugar alone they will not be able to survive except by diversification or by substituting more profitable crops which would contribute to the replacement of food imports.

#### Early Retirement

According to the rehabilitation study, up to 2 years ago there were 31,731 worker-partners in the sugar coops.

Forty-two percent (13,361) are surplus personnel. A program is proposed for the retirement of 11,518 persons within 10 years. This would mean a saving of \$38 million.

The normal retirement age would be set at 60 years. This is an alternative on which the coop members themselves must decide.

This harsh measure should be prepared so as to avoid new members being admitted into the coop during those 10 years because when a member dies he is replaced by his child, his wife or other relative.

## Poor Management

The spokesman wondered what went wrong if sugar production and productivity during the coop stage remained at the figures of the private period--with the exception of abnormal years.

If working conditions were normal, production and productivity dropped due to poor management by the people from the government councils who have managed the coops.

Their level of education is: 30.1 percent had primary schooling, 57.7 percent had secondary schooling, 1.5 percent had higher technical training and 10.7 percent had university training.

## Investment and Politics

The use at present of capital in behalf of the worker and the lack of concern for the enterprise is seen in the investment of fixed assets (A) versus expenses for social welfare benefits (B):

During the years 1975-76 investment in A were \$41 million as opposed to \$88 million in B; during the years 77-78 investment in A were \$43 million and \$65 million in B; during the years 79-80 investments in A were \$19 million and \$135.5 million in B and in the years 81-82 investment in A were \$31 million and 233.8 million in B.

But the coops are politically oriented. This began during the military period. (They wished to give the impression of large profits for the coops.) They are now making their demagogic calculations as they await the results of the next elections.

But the study raises the worrisome question: "What will happen to sugar prospects in the country when the coops' conditions improve?"

When domestic consumption and the export quota are surpassed, it would be uneconomic to sell to other markets the excess sugar for less than half the cost of production.

Besides, there are feasibility studies for sugar production at Madre de Dios, at Tarapoto, in the valleys of Pichis-Palcazu and at Alto Huallaga and at the Mesuya sugar mill.

In addition, a sugar mill financed by Holland is about to go into operation at the sugar refinery south of Pativilca. Private planters will use it, planters who used to take sugar cane to the coops to be milled.

That is, there are prospects for the diversification of sugar production in Peru.

The informant stressed, "If the sugar industry persists in harvesting sugar, it must be made to see the risks it faces."

He said that the root of the problem is that the sugar coops are a unique case in the country.

When the worker retires he leaves with his years of service and with zero as a member because he seeks immediate benefits and the future of the group is sacrificed.

9204

CSO: 3348/441

PERU

# MERCHANTS URGE BIPARTISAN ECONOMIC POLICY PLANNING

Lima EL COMERCIO in Spanish 15 Mar 85 p A-15

[Text] The Lima Chamber of Commerce, in an editorial published in the latest edition of its Weekly Bulletin, has expressed its disagreement with the recent speech by the minister of economy and finance regarding his program of action for the period between now and the transfer of political power. It does not disagree with the stated objectives, but with the omissions in the speech, which confirm the state of economic uncertainty.

The editorial notes that even if the speech had been complete and proper, the effect would have been the same, because the government does not have enough time left to carry out its plan independently.

"Thus," states the Chamber of Commerce, "before July of this year, the administration will be forced to carry out a coordinated effort with the party that wins the April elections. It can be assumed that at least the most important measures will be adopted in consultation with that party, so the current administration will no longer have exclusive responsibility for them, but will have to share it.

"All the objectives set forth in the minister's speech, such as the reduction of the fiscal deficit to 7 percent of the GDP, the lowering of the inflation rate, the intensification of the production process, the maintenance of foreign reserves, and others, are unassailable.

"Actually, the list of objectives is a repetition of earlier proposals, which for various reasons were not implemented when there was still enough time but the corresponding political decision was not forthcoming; today, even if the political decision were made, there would not be enough time."

The Chamber adds that a simple statement of goals is not enough if procedures and deadlines are not included. Now, as before, there are objectives, but there is no complementary information, so everything becomes mere bombast.

"No one can question the need to reduce the fiscal deficit," states the communique, "but in the economy minister's speech the matter of the elimination or transfer of inefficient public enterprises, which account for no less than 50 percent of the deficit, is not addressed."

"The fiscal deficit should not be cut to 7 percent, as proposed, since the current level of 9 percent is still unmanageable, but should be cut even more drastically by reducing the subsidies to those inefficient enterprises.

"Otherwise it will be impossible to control inflation, which on the basis of the data for the first 2 months of the year can be projected to a yearly rate that truly constitutes hyperinflation.

"Businessmen are wondering how production can be stimulated if inflation continues unabated, and is in fact soaring.

"How can our foreign reserves be protected solely by increasing exports, if that measure requires an increase in national production?

"Finally, they wonder how domestic savings are to be stimulated and small investors are to be protected while inflation eats up all the surpluses that are not 'dollarized.'

"We all agree that it is necessary to reduce public spending, the source of our high rates of inflation. But we cannot accept pronouncements that merely express good intentions but are not accompanied by the identification of specific actions.

"One may agree, though reservedly, with the minister's appeal to the private business sector to restrict its price increases to the rise in costs alone.

"This proposal is correct, but it also implies the possibility of excesses without taking into consideration that competition during this crisis is so fierce that often these adjustments do not correspond to the increase in costs because there is a need to earn cash to meet obligations.

"This appeal is inappropriate, however, if the public service enterprises and the state enterprises that market essential items subject to controls raise their rates and prices to levels that are far above their costs and the inflation rate," concludes the Chamber of Commerce.

8926

CSO: 3348/540

PERU

## CUZCO COPPER COMPLEX BEGINS PRODUCTION

Lima EL COMERCIO in Spanish 15 Mar 85 p A-8

[Text] The Tintaya mining complex, located in the district of Yauri, department of Cuzco, will produce a total of 175,000 metric tons of copper concentrates each year once it begins operations the 23rd of this month.

President Fernando Belaunde Terry will set off the first detonation to mark the beginning of work in this mine, in a ceremony that will be attended by ministers of state, senators, deputies and representatives of the mining sector.

The Empresa Minera Especial Tintaya S.A. announced that during the first stage of operations, electricity will be generated by eight groups of generators, with an installed capacity of 18,000 kilowatts. The generators have already been installed.

In a second stage, Tintaya will be connected to the hydroelectric plant at Machu Picchu, which is expected to begin operations gradually in early 1986.

The entire complex is divided into sectors which consist of the mine (with concentrates that are 33 percent copper, free of undesirable contaminants), the beneficiator, the pump house, and the camps where the officials and employees of Tintaya will live.

The water needed for the working of the mine will be pumped from the Salado River, 7 kilometers from the beneficiator. In addition, water will be recovered from the tailing pond.

The project also encompasses the construction of laboratories alongside the plant to control the quality of the products coming out of the beneficiator. The laboratory will contain areas for the preparation of samples, and a metallurgical laboratory.

The total investment required by the project has been estimated at \$315 million.

Financing has been arranged through an export loan obtained from the Export Development Corporation of Canada for goods and services imported from that country, as well as another unconditional loan from a syndicate of 14 banks headed by Toronto Dominion Intl. Ltd. and the Bank of Nova Scotia, of Canada.

PERU

BRIEFS

USSR FISHING AGREEMENT 'HARMFUL'--According to an agreement, the USSR has been authorized to fish between 3 and 4 million tons annually with an estimated value of \$1.2 billion. "Peru has received no share of this wealth," stated Ismael Benavides Ferreyros, minister of fisheries yesterday. After repeating that this is an agreement "against national interests," he said that a committee is currently studying the problem with the Ministry of Foreign Relations, to "reach a definite stand on that agreement." After attending a meeting of the Bicameral Budget Commission to support a supplementary credit of 3.9 billion soles, Benavides spoke yesterday to Congress. On another subject, he expressed the hope that the Pesca-Peru workers' strike will be settled soon. He expressed regret that throwing the fish into the sea means a loss of 1.2 billion soles. He added, "It is a crime to throw away 6,000 tons of fish in view of current conditions in the country." [Excerpt] [Lima EL COMERCIO in Spanish 22 Feb 85 p A-4] 9204

CSO: 3348/441



ST CHRISTOPHER-NEVIS

BRIEFS

TIES WITH BRAZIL--The Governments of the Federative Republic of Brazil and of St Christopher and Nevis, determined to strengthen the bonds of friendship and cooperation between their peoples, have agreed to establish at this date, Tuesday, 12 March 1985, diplomatic relations at the embassy level, and to designate nonresident ambassadors. Both governments have expressed their trust that this agreement will contribute to ensure a closer and mutually beneficial relationship between the two countries. [Text] [Basseterre THE DEMOCRAT in English 16 Mar 85 p 10]

SIMMONDS IN NEVIS--The Prime Minister, the Hon Dr Kennedy Simmonds spent Wednesday in the island of Nevis on an official visit, accompanied by the Attorney General the Hon Tapley Seaton. While in Nevis, the prime minister held discussions with the premier, the Hon Simeon Daniel and other ministers and officials of the Nevis Island Government. He also had lunch with the Deputy Governor General Hon Weston Parris, and toured the industrial site and new electrical power station. [Text] [Basseterre THE DEMOCRAT in English 16 Mar 85 p 12]

CSO: 3298/563

ST LUCIA

## PREVIEW OF 1985 BUDGET DEPICTS ECONOMIC SITUATION

Castries THE VOICE in English 13 Mar 85 pp 4, 7

[Text]

**PRIME Minister John Compton presents his Government's 1985-1986 fiscal budget to Parliament next month against the background of an improving economy but with solutions still to be found for some of the country's most critical problems, not the least being a high level of unemployment.**

The budget which is expected to top last year's record expenditure of E.C.\$215.9 million comes virtually at the halfway stage of the maximum period Compton's ruling United Worker's Party (UWP) can remain in office before going to the polls again. The UWP has been in power unchanged since 1964 except for a brief three year period from 1979.

In May 1982, Compton was returned with an unprecedented landslide in the House of Assembly, ending a period of internal turmoil within the former St. Lucia Labour Party (SLP) administration that had taken the country from a position of relative economic stability to one of decline, leaving key sectors of the economy in complete disarray. Amid the SLP tenure of office, a devastating hurricane had set in aggravating the economic dislocation.

Compton, who campaigned in 1982 on a platform that his was the best equipped and able of the three political parties here to "clean up the mess" which he said had been created by the SLP has found the going pretty heavy and election promises extremely slow in being fulfilled.

But there have been some positive gains. Two of the most important pillars of the economy—agriculture and tourism—have been making great strides. And Compton told the House last month that the economy had grown five percent in the past year, the best performance since 1979.

In fact, throughout the last decade, St. Lucia's economy registered an average annual growth of seven percent. Under the SLP, however, it stagnated before slipping into negative growth of five percent. The cost of living too has come down with a thud from the 1980 high of 19.8 percent to 2.6 percent at last June.

In an independence day anniversary message to St. Lucians last month, Compton announced that St. Lucia was now moving "in the right direction on the road to recovery." But despite the promise of better times ahead, some crucial economic and social ills still grip this country that was once acclaimed by international financial institutions as the showpiece of development among the small Eastern Caribbean States.

The most urgent problem is that of unemployment, officially estimated at between 25 and 27 percent of the workforce, but higher among the island's growing band of young people. Also two major factors are said to be threatening future economic growth. One is the island's rapidly rising population. The other is a mounting bill for public service salaries that now accounts for more than half of St. Lucia's total recurrent expenditure.

Compton says St. Lucia's economy cannot afford to support the annual 2.5 percent birth rate that adds 3,000 to the population every year. In fact, St. Lucia's population growth is one of the highest in the Eastern Caribbean, and Compton says it will have to be brought under control "to a level which we can support with the national resources which we generate."

He said recently: "Unless we engage in a serious programme of family planning and population control, the weight of the new population will strangle the economy, leaving us all to wallow in poverty."

In recent years, the bill for public servants' salaries has moved from 46 percent in 1979 to 55 percent last year, of St. Lucia's total recurrent expenditure. Compton has already let it known that the budget will contain proposals to cut back on recurrent expenditure. And he has continuously warned that unless St. Lucia puts its economic house in order, the alternative may well have to be to approach the International Monetary Fund (IMF).

So far, despite its problems, St. Lucia has managed to steer clear of the IMF. Said Compton some time ago: "...I am not prepared to be the Minister who presents St. Lucia back to international treasury control of the IMF.... There is no room (in St. Lucia) for both of us. If they must come, then I must go."

The Lucian leader noted that two decades ago, St. Lucia, then a British colony, had removed itself from British treasury control, ushering a period of progress. The danger now, he says, was that all this could be lost and the island pushed back into "the iron grips" of the IMF, the price of whose assistance will be too high to pay.

In the past five years, a situation has developed here where government revenues have lagged behind its recurrent commitments, to the point that successive administrations have had to resort to borrowing money to meet even salaries to public sector workers. And whereas before, St. Lucia financed the whole of its recurrent bill as well as at least 10 percent of its capital works programme, today this is not the case.

Says Compton: "Unless Government revenues can at least equal its expenditure and make some provision for maintaining and adding to its capital stock of public buildings, roads, ports, water, electricity etc., then even with a major effort on the part of the private sector, any economic growth will wither on the vine."

**Unless we engage in a serious programme of family planning and population control, the weight of the new population will strangle the economy leaving us all to wallow in poverty.**

Between 1982 and 1983, the Government launched two initiatives as part of the programme for long-term economic growth. One was a campaign to encourage St. Lucians to save more. The other was an attempt to woo trade unions and employers to join it in a tripartite effort to get the country back on the rails.

The tripartite initiative failed when three of the largest trade unions withdrew from the talks claiming that the plan was against the interest of workers and would not work. They asked that it be shelved.

The savings programme has to date had a mixed response, and last year, St. Lucians continued to spend most of their earnings on consumption goods, resulting in a massive trade deficit of E.C.\$206 million. According to the East Caribbean Central Bank, during the first months of 1984, the rates of growth of savings and time deposits were "steady though not exceptional" compared with 1983. The ECCB says that savings deposits expanded faster in 1983 by 7.5 percent against 5.4 percent last year, while time deposits growth fell from 14 percent in 1983 to 9.3 percent last year.

But the news from the productive sectors of the economy has been better. In 1984, bananas, which account for 40 percent of St. Lucia's total exports, reached its highest level in six years. Altogether, 65,000 tonnes of fruit was exported to Britain, 10,000 tonnes more than in the previous year. And although affected by the falling value of sterling, last year's crop earned St. Lucia E.C.\$59.8 million in revenues compared with E.C.\$52.8 million in 1983.

Agriculture Minister Ira d'Auvergne estimates that St. Lucia lost as much as E.C.\$20 million in its banana trade last year as a direct result of sterling's depreciation. Another E.C.\$12 million was lost in 1983. The prospects are for continued improvement in exports this year as St. Lucia attempt to match its 1969 record performance of 85,000 tonnes of fruit.

Tourist arrivals rose 12 percent last year (87,610 compared with 77,392 in 1983) in an industry which brings in some E.C.\$80 million in revenues every year.

The manufacturing sector, the third leg of a tripod on which St. Lucia depended for its economic success in the last decade, has been the slowest to recover. During the recent international economic recession, the flow of new industries into St. Lucia came to a standstill, but now Government officials say that there is new interest being shown in the island by foreign investors, so much so that the Government is busy getting the infrastructure upgraded to accommodate them.

The stagnation in the manufacturing sector has been compounded by a drastic reduction in the level of St. Lucia's exports of manufactured goods, especially to its vital Caribbean Community (CARICOM) market. According to Trade Minister George Mallet, St. Lucia's exports for the first half of 1984 to the CARICOM region fell by E.C.\$6.5 million below the figure for the corresponding 1983 period, mainly because of the restrictive trade and currency measures on imports adopted by the larger countries in the 13-member grouping.

Exports to Jamaica fell by 44 percent while in the case of Trinidad and Tobago, the drop was 31.5 percent. According to officials here trade with Guyana has virtually dried up.

A number of public and private sector projects have started to get off the ground which are expected to give new impetus to the economic recovery programme and at the same time provide badly-needed employment opportunities. Two of the Government's priority projects are receiving loan financing from the Barbados-based Caribbean Development Bank (CDB). Work has already started on one of these: Construction of an E.C.\$10.5 million tourist facility near the Castries harbour which includes additional berths for cruise ships, shopping facilities and an information centre.

The second is an E.C.\$12.9 million project in Vieux Fort which will see the creation of an additional 150,000 square feet of factory space that the government says is urgently needed to meet the anticipated surge in activity in that sector.

In Vieux Fort too, the Government plans to develop a 32 acre industrial freezone for which the World Bank is contributing loan financing of E.C.\$13.5 million.

Another CDB loan of E.C.\$417,000 will finance the planning stages of a new highway linking Castries to Soufriere.

Two major investments in hotel construction are also expected to start during the year in Dennery and Micoud, involving the expenditure of E.C.\$77 million to add another 400 rooms to St. Lucia's hotel accommodation.

Compton says that St. Lucia's economic prospects in the short and long term are brighter than in the recent past, but he is equally adamant that there are no easy ways out. Already this year, St. Lucians have come face to face with the short of strategy that could become necessary as part of the belt-tightening effort that the government constantly says is necessary to pull up the country once more.

In January, the Government, faced with a continuing cash flow problem and needing badly to increase revenues slapped huge increases on motor vehicles, insurance companies and liquor shops. Although there were protests by some taxidivers and minibus operators, Compton stood firm warning that St. Lucians must bear the responsibility of paying for their own development.

ST LUCIA

# GOVERNMENT UNABLE TO PAY WORKERS FOR BONDS DUE

Port-of-Spain TRINIDAD GUARDIAN in English 3 Apr 85 p 19

[Text]

CASTRIES, Tues., (Cana):

THE SAINT LUCIA Government has told public sector workers that because of current economic conditions, it is unable to pay the equivalent of \$5.8 million in cash bonds owed them.

The bonds agreement was part of a package of salaries and conditions of service for 1980-83 that was negotiated between Government and public workers.

Deputy Prime Minister George Mallet said since Government was not in a position to support the bonds payments, it had proposed to public workers' unions that the bonds and accrued interest for individuals should be used towards retiring debts due by way of Government loans and advances, taxes and rates, national commercial bank loans, Saint Lucia Development Bank loans and credit union loans.

Mr Mallet said the bonds could be redeemed over a further three-year period by quarterly drawings and there could be a roll-over of the bonds of a further three years at a 10 per cent interest rate.

"It is imperative for discussions to be held between the Ministry of Finance and the respective staff associations with a view of agreeing on a reasonable procedure for redeeming those bonds," he added.

The Minister said the unions had agreed to meet with their members

to decide on what was the best way to redeem the bonds.

"Government wishes to solicit the cooperation of unions and their membership in ensuring a mutually satisfactory resolution in this rather sensitive and crucial matter," Mr Mallet said.

The committee of trade unions, which represents public servants, said no proposals had been formally submitted to the various staff associations.

General Secretary of the Teachers' Union, Mr Alfred Jean Baptiste, said that only two associations had attended a meeting with Government last Wednesday to discuss the matter.

The bonds were agreed on when the last pay agreement was signed in 1982 since two years of the period had passed.

Said Mr Mallet: "This meant that the considerable sum of retroactive payment was then required to be met. As the finances of the country did not allow settlement of arrears, it was mutually agreed among the concerned parties that the back pay due to each public servant would be paid in bonds which matured in three years on March 31, 1985."

CSO: 3298/564

ST LUCIA

# COMPTON DISCUSSES AID PRIORITIES IN BRUSSELS WITH EEC

FL281730 Bridgetown CANA in English 1515 GMT 28 Mar 85

[Text] Castries, 27 Mar (CANA)--St Lucia Prime Minister John Compton discussed his country's priorities for aid under the new Lome convention when he visited the European Commission headquarters in Brussels this week, a government statement said.

Under the first and second conventions, St Lucia benefitted particularly in the areas of rural development, road reconstruction and scholarships.

The statement said Compton, who is on a European tour, discussed matters relating to the conservation of natural resources, trade, financial, technical and regional cooperation with commission officials, including Director-General for Development Dieter Erisch.

The third Lome convention was signed last December between the 10-nation European community and 65 African, Caribbean and Pacific (ACP) states, including 13 from the Caribbean.

Compton also addressed the committee of ACP ambassadors in Brussels. He paid tribute to the ambassadors, the ACP secretariat and other negotiating bodies for their efforts in achieving the improvements contained in Lome III.

Compton, however, regretted that the economic gap between the north and south had widened during negotiations for the new treaty.

He said the provisions for the stabilisation of export earnings, in which ACP states are compensated for shortfalls in exports under certain conditions, could form the basis for agreement embracing the wider north and south.

Compton also urged ACP states to explore the possibilities of expanding intra-ACP cooperation with particular reference to trade.

CSO: 3298/564

ST LUCIA

## WAGE ISSUES DIVERGE FOR PUBLIC, PRIVATE SECTOR WORKERS

### Public Service Union Threats

Castries THE WEEKEND VOICE in English 16 Mar 85 p 3

[Text]

TWO public service unions are threatening the government with protest action to back different demands.

The St. Lucia Teachers' Union (SLTU) has complained to Director of Finance and Planning Mr. Dwight Venner about the inconsistency in salary increases for teachers following conclusion of recent collective agreement discussions.

The SLTU says that a breakdown of the new rates issued by Mr. Venner by way of a circular does not tally with what was discussed and signed at the negotiating table.

It said it had drawn the matter to Mr. Venner's attention by letter last December, but there had been no response.

The SLTU pointed out that at a meeting with the Government's negotiating team in January, the inconsistency was discussed and a decision was taken whereby the Ministry of Finance would issue another circular indicating that the matter was under review. It was also decided that the Ministry would reply to the Union's letter of last December.

Said the UNION: "To date, neither of these decisions has been fulfilled. It is clear to us that there seems no urgency on the part of the Government to resolve this matter. However, the same cannot be said of the St. Lucia Teachers' Union. We have been at pains to outline the difficulties which can arise if the

government reneges on this significant section of the collective agreement."

The SLTU noted that the third year of the agreement would begin April 1 and it was there, it said, that the inconsistency was "most acute."

"Again we implore you to ensure that this matter is resolved as soon as possible, in order to ensure that the correct salaries are paid in April. This matter, if not resolved in a responsible and satisfactory manner, can give rise to certain unpleasantness which can be very embarrassing to the Government."

Meanwhile, the Civil Service Association this week complained about the Government's delay in appointing a permanent secretary to the Personnel Division of the Prime Minister's Office. The post has been vacant for the past year, and the functions have been carried out on a part time basis by Mr. Venner.

The CSA says that arrangement is "unsatisfactory and unjust" because of the conflicting roles Mr. Venner is called upon to play simultaneously, "and also because of his constant unavailability at crucial times has led to the inefficiency of a department which is responsible for the transformation of the public service."

The Association noted that three months after the post was advertised no appointment had been made. It said the issue would be taken to the general body to consider any action that is deemed necessary for the realisation of its demands.

# Private Sector Wage Hike

Castries THE VOICE in English 20 Mar 85 p 2

[Text]

**CLERICAL and other categories of workers in the private sector are to receive new minimum wages from the first of April.**

**The last time, minimum wages were set for these workers was in 1978.**

The employees covered under the new Order are cashiers, clerks, goods porters, janitors, messengers, shop assistants and switchboard operators.

The new rates come as a result of deliberations by the Clerks Wages Council, whose recommendations were recently approved by the Government.

Under the last minimum wage order, clerks were paid a minimum of \$160 per month, but this has now been increased to \$300 per month. The rate for cashiers has gone up from \$130 monthly to \$250 monthly, while that for switchboard operators moves from \$125 monthly to \$250 monthly.

From April 1 also, shop assistants employed in Castries and within a mile of the city will have their minimum wage increased from \$112 monthly to \$200 monthly, for those working between 7 a.m. and 5 p.m. Those working longer hours, from 7 a.m. to 9 p.m. will have their minimum wage increased from \$120 monthly to \$220 monthly.

Shop assistants employed outside the city limits between 7 a.m. and 5 p.m.

will have their minimum wage raised from \$102.40 per month to \$180 per month, while those working between 7 a.m. and 9 p.m. will have theirs increased from \$108.80 per month to \$190 per month.

New minimum wages will also go into effect for goods porters rising from \$28. per week to \$50 per week. For janitors the old rate of \$80 per month will be almost doubled to \$150 per month while for messengers, the minimum wage more than doubles from \$70 per month to \$160 per month.

CSO: 3298/564

ST LUCIA

## GOVERNMENT URGED TO REVIVE TRIPARTITE TALKS

Castries THE VOICE in English 13 Mar 85 p 16

[Text] A local manufacturer has called for revival of efforts to bring Government, employers and trade unions together in an effort to resolve some of the crucial social and economic problems currently confronting the country.

Mr. Ken Agard, manager of Tops Enterprises told THE VOICE that the tripartite effort was one of the issues that was most desirable in St. Lucia at the present time.

But Agard said it was something which had to work not from the strength of any one party. "It has to be a harmonisation of the three. Nobody can go there dictating terms and saying what it is. It is something for the national good, and it must not be seen as a pinnacle for anyone's ambition."

Asked if local manufacturers would be willing to take the lead in reviving the discussions, Agard replied: "Totally. I think we would, and I think that the Unions are with us in that belief. I think the next person we have to approach now is the Government."

Prime Minister John Compton first mooted the tripartite initiative in 1982 when he summoned representatives of employers and

trade unions around the conference table to discuss a coordinated effort by the three parties in an effort to revive the then battered St. Lucia economy.

But after two rounds of preliminary discussions, the initiative fell down with three of the largest trade unions, the Civil Service Association, the Teachers Union and the National Workers' Union expressing their objection to what they said had been a suggestion by the Prime Minister that wages be set a limit of between five and 10 percent over a one year period as part of an economic recovery package.

The Unions said that what Compton had asked for was a wage freeze, which they could not support. Later, they expressed the view that the tripartite idea would not work, and the initiative collapsed.

Claiming that the then state of the national economy was "not the fault of the working class," the Unions said they could not participate or associate themselves "with any plan that would further inflict hardship on our members."

In place of the tripartite idea, they made certain recommendations to improve the status of workers, including compulsory recognition, trade union recognition based on 40 percent support in any enterprise, improvements on existing legislation relating to severance pay and workmen's compensation and the allocation of \$40,000 for workers' education.

CSO: 3298/565



ST LUCIA

## MINISTER OF INFORMATION OFFERS CRITIQUE OF PRESS

Castries THE VOICE in English 13 Mar 85 p 2

[Text]

MINISTER of Information Mr. Romanus Lansiquot has complained of "too much" mediocrity in the local media and he said that the Government was aware and concerned about the present state of the media and steps were being taken to correct this.

Lansiquot made those statements at a seminar on the media and national development held at the University Centre, last Friday.

"We do not need hot heads" in the Caribbean media nor people wanting to push ideological platforms at the expense of the erosion of a free press and the dismantling of our cherished democratic principles and institutions," he said.

The Minister said that while there had been some measure of improvement in the state of the media in St. Lucia generally there was great room for improvement.

He added: "To begin with the media here is too fragmented and although attempts have been made in recent times to organise the media these attempts have met with little success due to certain suspicions among the media personalities themselves.

"These suspicions can be best explained by the St. Lucia Media Workers Association, a newly formed body whose 'top' officials speak in varying forms of a model of communication which appears to be a departure from the normal, well tested, and accepted forms of journalism which we have grown accustomed to in St. Lucia, over the years."

### AIN'T READY YET

Then there was the issue of the quality and calibre of the people who worked in the media in our community Lansiquot said. "With very great respect to our media personalities here, one would find as we say in St. Lucia some of them ain't ready yet. Some of our media personalities here are not committed enough to be good and responsible press men. Some of the people working in the media especially in the public media lack enthusiasm, dedication and consistency in their work. Some of them lack creativity, some media personalities are too partisan in their reporting and some of them just have no pride in their profession."

Mr. Lansiquot said there was too much mediocrity in the media in St. Lucia — "a very unfortunate commentary." He said the Government was obviously aware and concerned about the present state of the media and in the case of the public media strenuous efforts were being made to provide training opportunities for staff and to upgrade certain conditions at the work place.

He added: "I believe though that the quality of journalism and broadcasting in the Caribbean will forever be in jeopardy unless we are able to attract the best and the right persons into the highly specialised field of communications.

"By best and right, I mean people who have an intense interest in media work, I mean persons who want to see a better Caribbean emerging, persons who feel committed to the orderly, peaceful, united and integrated development of the Caribbean region."

8 May 1985

## ST VINCENT AND THE GRENADINES

## BRIEFS

ESTATE DEMONSTRATION--Kingstown, 23 Mar--About 30 residents from the northern Vincentian village of Sandy Bay, mostly workers at the large Orange Hill agricultural estate, staged a peaceful demonstration on the estate, demanding that the property be taken over from a group of Danes who bought it last month. The workers want the more than 3,000 acres made available to them for housing and agriculture. The estate was owned by the local Barnard family for the past 79 years, but was sold following a drastic drop in production of fruit and vegetables and difficulty in replacing the estate's infrastructure damaged by the eruptions of La Soufrierre Volcano in 1979 and Hurricane David in 1981. The sale sparked protests from government and opposition parties. Prime Minister James Mitchell has in fact signalled government's intention to acquire the estate for housing and agricultural production. Coconuts, bananas, limes, and eggplant are among the crops grown on the estate, situated 24 miles northeast of here. [Text] [Bridgetown CANA in English 2244 GMT 23 Mar 85]

CSO: 3298/563

URUGUAY

COMMUNIST YOUTH LEADER DISCUSSES GROUP ACTIVITIES

PA191840 Havana International Service in Spanish 1600 GMT 18 Apr 85

[Text] The Uruguayan communist youth have turned the 12th World Youth and Student Festival into the most important activity of the new in generations in Uruguay, (Aldo Lista), second secretary of the Uruguayan communist youth organization who recently visited Cuba, told the Cuban newspaper JUVENTUD REBELDE. He said that April has been declared the month of friendship, May the month of peace, and June the month of anti-imperialist solidarity in Uruguay.

The Communist youth leader explained that the Uruguayan military dictatorship tried to turn back all the revolutionary processes that were developing in the country and the young people suffered all the fury of that repression. For young people, (Lista) said, those years meant a dreadful situation with unemployment, low and insufficient educational level, persecution, repression and poverty.

He emphasized that the prospects for progressive organizations in Uruguay are promising and proof of this is the recent growth in the forces of the Broad Front to include a large number of young people. He stressed that another interesting aspect is that 83 percent of the Uruguayan communist youth joined the organization in 1984.

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